MUNICIPAL MANAGER
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KING SABATA DALINDYEBO MUNICIPALITY

EXECUTIVE MAYOR'S OFFICE
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KING SABATA DALINDYEBO MUNICIPALITY

KING SABATA DALINDYEBO ANNUAL BUDGET

2018/19 TO 2020/21
MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Part 1 – Annual Budget

1.1 Mayor's Report

The National Treasury published MFMA budget circular no 91 which highlighted amongst other things the current economic situation of the country. This highlighted the Gross Domestic Product that is below the 2% targeted by the country. The main risk to the economic outlook are continued policy uncertainty and deterioration in the finances of state owned entities. These economic challenges will continue to exert pressure on municipal revenue generation and collection levels. It is advised that a conservative approach for revenue projection is implemented. In addition municipalities will have to improve the efforts to limit non priority spending and to implement stringent cost containment measures. The CPI inflation is projected at 5.3 per cent in the 2018/2019 financial and 5.4 and 5.5 per cent in the two outer years respectively. This has resulted in reduction in conditional grants.

It is against this back ground that National Treasury recommended an increase in tariffs between 3 and six per cent and any other increments above this to be motivated. This excludes electricity sales that are regulated by NERSA and dependent on ESKOM tariff sale to the municipality. It is recommended that municipalities' tariff increase be set at 6.84 per cent whereas ESKOM tariff increase for sales to municipalities is set at 7.32 per cent.

This applies to KSD as well and the total operating revenue budget is set at R1.129 billion and for the two outer years, operational revenue will increase by six per cent, equating to a total revenue growth of R151 million over the MTREF when compared to the 2018/2019 financial year representing 13 per cent increase. The reduction from the adjusted budget of R1.061 billion is 6.3 per cent. This is due to changes in the funding of the non-cash depreciation and provision for doubtful debts, this is funded out of cash as funding these out of non-cash items is not recommended. This would assist the municipality in capital asset replacements.

Total operating expenditure for the 2018/2019 financial year has been appropriated at R1.1 billion and translates into a budgeted surplus of R3.998 million that will be used to fund the acquisition of assets from own funds. When compared to the 2017/18 Adjustments Budget, operational expenditure has been reduced by 5.5 per cent in the 2018/2019 budget and grown by 4 and 5 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years steadily increases and these surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The municipality has a huge backlog in relation to capital infrastructure that would need about half a billion to address. The priority of the municipality is to fund capital projects. The capital budget of R418.2 million for 2018/2019 is 31 per cent more when compared to the 2017/2018 Adjustment Budget. The increase is due additional funding for various projects. For the two outer years it decreases significantly due to completion of some of the major projects. A substantial portion of the capital budget will be funded from grants and subsidies and a loan to fund fleet, plant and equipment. The balance will be funded from internally generated funds as indicated above.

As part of the capital budget the municipality has budgeted as follows:-

- Electricity infrastructure R43.8 million

• Roads Infrastructure and Stadium	R 87.3 million
• Installation of High Mast Lights	R3.3 million
• Housing	R182.4 million
• Community Halls	R1.4 million
• Plant and Fleet	R100 million
• Cemeteries	

1.2 Council Resolutions

On 29 May 2018 the Council of King Sabata Dalindyebo Local Municipality met in the Council Chambers of King Sabata Dalindyebo Municipality to consider the annual budget of the municipality for the financial year 2018/2019. The Council approved and adopted the following resolutions:

1. The Council of King Sabata Dalindyebo Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts with effect from 1 July 2018:

   1.1. The annual budget of the municipality for the financial year 2018/2019 and the multi-year and single-year capital appropriations as set out in the following tables:
      1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 11 on page 21;
      1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 12 on page 22;
      1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 13 on page 23; and
      1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 14 on page 24.

   1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
      1.2.1. Budgeted Financial Position as contained in Table 15 on page 25;
      1.2.2. Budgeted Cash Flows as contained in Table 16 on page 26;
      1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 17 on page 26;
      1.2.4. Asset management as contained in Table 18 on page 27; and
      1.2.5. Basic service delivery measurement as contained in Table 19 on page 29.

2. The Council of King Sabata Dalindyebo Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2018:
   2.1. the tariffs for property rates – as set out in Annexure A,
   2.2. the tariffs for electricity – as set out in Annexure B
   2.3. the tariffs for solid waste services – as set out in Annexure C

3. The Council of King Sabata Dalindyebo Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2018 the tariffs for other services, as set out in Annexures A to I respectively.

4. To give proper effect to the municipality's annual budget, the Council of King Sabata Dalindyebo Local Municipality approves:
   4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.
   4.2. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the above lending programme.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the City remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. A critical review was also undertaken of expenditures on noncore and 'nice to have' items. The municipality is seriously experiencing cash flow challenges emanating from prior years litigations and slow recovery of debtors especially from domestic consumer as well as limited revenue base. For this purpose attempts are being made to fully fund depreciation on cash to improve the current cash flow situations of the municipality.

The municipality is embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers.

National Treasury's MFMA Circular No. 91 were used to guide the compilation of the 2018/2019 MTREF.

The main challenges experienced during the compilation of the 2018/2019 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads and electricity infrastructure;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity due to penalties and charges for exceeding the notified maximum demand by Eskom, which is placing upward pressure on service tariffs to residents.
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2018/2019 MTREF process; and
- Availability of affordable capital/borrowing.

The following budget principles and guidelines directly informed the compilation of the 2018/2019 MTREF:

- The 2017/2018 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2018/2019 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

- Implementation of cost cutting measures in terms of Circular 82. The municipality is focusing on containing the cost in relation to the following items of expenditure:

  - Special Projects;
  - Consultant Fees;
  - Furniture and office equipment;
  - Special Events;
  - Refreshments and entertainment;
  - Ad-hoc travelling; and
  - Subsistence, Travelling & Conference fees (national & international).

In view of the aforementioned, the following table is a consolidated overview of the proposed 2018/2019 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2018/2019 MTREF

R thousand	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Total Revenue (excluding capital transfers and contributions)	913,579	980,822	1,086,483	1,063,181	1,061,913	1,061,913	1,061,913	1,129,403	1,200,728	1,280,853
Total Expenditure	1,089,237	1,012,484	1,069,524	1,189,494	1,191,219	1,191,219	1,191,219	1,125,406	1,167,528	1,230,757
Surplus	(175,658)	(31,662)	16,958	(126,313)	(98,709)	(98,709)	(129,306)	3,998	33,200	50,096
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	164,242	204,073	199,953	134,978	411,348	411,348	411,348	414,203	281,975	99,426
Total Capital Expenditure - Functional	**157,901**	**331,597**	**365,189**	**235,716**	**281,990**	**281,990**	**281,990**	**418,200**	**284,973**	**102,424**

Total operating revenue has been reduced by 4 per cent from the 2017/2018 adjustment budget increasing from R1.061 billion to R1.129 billion. For the two outer years, operational revenue will increase by six per cent, equating to a total revenue growth of R151 million over the MTREF when compared to the 2018/2019 financial year representing 13 per cent increase.

Total operating expenditure for the 2018/2019 financial year has been appropriated at R1.1 billion and translates into a budgeted surplus of R3.998 million. When compared to the 2017/18 Adjustments Budget, operational expenditure has been reduced by 6 per cent in the 2018/2019 budget and grown by 4 and 5 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years steadily increases and these surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget of R418.2 million for 2018/2019 is 33 per cent more when compared to the 2017/2018 Adjustment Budget. The increase is due additional funding for various projects. For the two outer years it decreases significantly due to completion of some of the major projects. A substantial portion of the capital budget will be funded from grants and subsidies and fleet, plant and equipment will be sourced through long term borrowing over MTREF. The balance will be funded from internally generated funds.

1.4 Operating Revenue Framework

For King Sabata Dalindyebo to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases are still to be approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services. The biggest challenge is inability to recover costs associated with the refuse removal from places as far as Coffee Bay , Hole in The Wall and peri-urban Areas
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

The following table is a summary of the 2018/2019 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source										
Property rates	159,462	180,579	191,221	242,248	232,248	232,248	232,248	246,183	260,954	276,611
Service charges - electricity revenue	239,978	281,198	314,858	388,764	391,743	391,743	391,743	418,513	443,624	470,242
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	26,765	34,934	35,569	43,048	47,048	47,048	47,048	50,342	53,865	57,636
Service charges - other		–	–	7,420	–	–	–			
Rental of facilities and equipment	15,068	15,193	14,294	19,319	19,321	19,321	19,321	18,596	19,711	20,894
Interest earned - external investments	4,399	3,341	1,834	3,526	3,526	3,526	3,526			
Interest earned - outstanding debtors	25,091	32,326	37,111	37,807	30,602	30,602	30,602	40,076	42,480	45,029
Dividends received	–	–	–	–	–	–	–			
Fines, penalties and forfeits	967	1,026	1,392	2,691	3,233	3,233	3,233	2,722	2,885	3,058
Licences and permits	13,618	13,980	15,155	17,168	2,084	2,084	2,084	2,409	2,554	2,707
Agency services	–	–	–	–	15,159	15,159	15,159	15,115	16,022	16,984
Transfers and subsidies	220,077	264,689	275,617	293,208	296,639	296,639	296,639	321,331	343,668	371,830
Other revenue	208,133	153,557	199,432	6,561	18,888	18,888	18,888	12,610	13,367	14,169
Gains on disposal of PPE				1,422	1,422	1,422	1,422	1,507	1,598	1,694
Total Revenue (excluding capital transfers and contributions)	913,579	980,822	1,086,483	1,063,181	1,061,913	1,061,913	1,061,913	1,129,403	1,200,728	1,280,853

Table 3 Percentage growth in revenue by main revenue source

Description	rrent Year 2017		2018/19 Medium Term Revenue & Expenditure Framework					
R thousand	Pre-audit outcome		Budget Year 2018/19		Budget Year +1 2019/20		Budget Year +2 2020/21	
Revenue By Source								
Property rates	232,248	22%	246,183	22%	260,954	22%	276,611	22%
Service charges - electricity revenue	391,743	37%	418,513	37%	443,624	37%	470,242	37%
Service charges - water revenue	–	0%	–	0%	–	0%	–	0%
Service charges - sanitation revenue	–	0%	–	0%	–	0%	–	0%
Service charges - refuse revenue	47,048	4%	50,342	4%	53,865	4%	57,636	4%
Service charges - other	–	0%		0%		0%		0%
Rental of facilities and equipment	19,321	2%	18,596	2%	19,711	2%	20,894	2%
Interest earned - external investments	3,526	0%		0%		0%		0%
Interest earned - outstanding debtors	30,602	3%	40,076	4%	42,480	4%	45,029	4%
Dividends received	–	0%		0%		0%		0%
Fines, penalties and forfeits	3,233	0%	2,722	0%	2,885	0%	3,058	0%
Licences and permits	2,084	0%	2,409	0%	2,554	0%	2,707	0%
Agency services	15,159	1%	15,115	1%	16,022	1%	16,984	1%
Transfers and subsidies	296,639	28%	321,331	28%	343,668	29%	371,830	29%
Other revenue	18,888	2%	12,610	1%	13,367	1%	14,169	1%
Gains on disposal of PPE	1,422	0%	1,507	0%	1,598	0%	1,694	0%
Total Revenue (excluding capital transfers and contributions)	1,061,913	100%	1,129,403	100%	1,200,728	100%	1,280,853	100%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality. Rates and service charge revenues comprise more than two thirds of the total revenue mix, at 63%. In the 2017/18 financial year, revenue from rates and services charges totaled R761.1million or 65 per cent. This increases to R715 million, R758.4 million and R804.4 million in the respective financial years of the MTREF. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

Property rates is the second largest revenue source totaling 22 per cent or R246.1million rand and increases to R276.6 million by 2020/2021. The remainder of own income is 7 per cent of the total revenue. This is termed 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, transport fees and advertisement fees. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Operating grants and transfers totals R321.3 million in the 2018/19 financial year and steadily increases to R371.8 by 2020/21. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

EC157 King Sabata Dalindyebo - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		**217,313**	**263,428**	**270,539**	**291,163**	**291,215**	**291,215**	**316,506**	**341,712**	**369,766**
Local Government Equitable Share		206,246	251,210	249,468	267,710	267,710	267,710	292,112	322,658	350,127
Finance Management		1,600	1,675	2,261	2,145	2,196	2,196	2,215	2,680	2,680
Municipal Systems Improvement		934	1,035							
Integrated National Electrification Programme		3,000	3,557	5,000	5,334	5,334	5,334	6,000	6,000	6,400
EPWP Incentive		1,529	1,768	1,699	3,584	3,584	3,584	3,954		
Electricity Demand Side Management				8,000	8,000	8,000	8,000	8,000	6,000	6,000
Municipal Infrastructure Grant		4,004	4,183	4,111	4,390	4,390	4,390	4,225	4,374	4,559
Provincial Government:		**1,714**	**2,774**	**11,146**	**1,750**	**4,529**	**4,529**	**4,530**	**1,956**	**2,064**
Sport and Recreation		1,714	2,774	2,390	1,750	1,750	1,750	1,750	1,956	2,064
Neighbourhood Settlement Grant				8,756		2,779	2,779	2,780		
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	**294**	**294**	**294**	**294**	-	-
LGSETA					294	294	294	294		
Total Operating Transfers and Grants	5	**219,027**	**266,202**	**281,685**	**293,208**	**296,038**	**296,038**	**321,331**	**343,668**	**371,830**

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

The percentage increases of both Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities.

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 91 deals, inter alia with the implementation of the Cost Containment Measures and related regulations issued by the National Treasury. These regulations came into effect on 1 July 2018.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R45 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy.
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy. In this regard the following stipulations are relevant:

- For physically and mentally disabled persons an application has to be made
- Owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year.

The following conditions should be met:-

- The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;

- The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;

- The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
- The property must be categorized as residential.

- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

- 20 per cent rebate will be granted to pensioners.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2018/2019 financial year based on a 6 per cent increase from 1 July 2018 is contained below:

Table 5 Comparison of proposed rates to levied for the 2018/2019 financial year

	2017/2018		2018/2019	
PROPERTY PRATES AND LEVIES				
Proposed increment 2015/16				
General Rate				
Domestic (cents in a Rand)	0.69732	Cents in a Rand	0.73916	Cents in a Rand
Business/ Commercial (cents in a Rand)	1.39464	Cents in a Rand	1.47832	Cents in a Rand
Government/ Parastatals (State Owned) (cents in a Rand)	2.09196	Cents in a Rand	2.03269	Cents in a Rand
Agricultural (cents in a Rand)	0.17556	Cents in a Rand	0.18609	Cents in a Rand
PSI (cents in a Rand)	0.17556	Cents in a Rand	0.18609	Cents in a Rand
Public Benefit Organisation	0.17556	Cents in a Rand	0.18609	
Parking Development Rate (cents in a Rand)	0.21550	Cents in a Rand	0.22843	Cents in a Rand
Fire Levy				
Domestic - Per annum	352.71		373.87	
Business/ Commercial Per Annum	634.90		672.99	

1.4.2 Sale of Electricity and Impact of Tariff Increases

A 6.8 per cent increase in the electricity tariffs is proposed. This is however dependent on the finalization of Eskom bulk electricity tariff to municipalities will be effective from 1 July 2018.

The following table shows the impact of the proposed increases in electricity tariffs on the electricity charges for all customers:

Table 6 Comparison between current electricity charges and increases (Domestic)

ITEM NO	TARIFF DESCRIPTION	2017/18	2018/2019	INCREASE
	ELECTRICITY TARIFFS			
1	**Domestic Prepayment**			
1.1	Tariff 1	141.00	150.64	6.84%
1.2	Tariff 2 (Indigent)	115.00	122.87	6.84%
2	**COMMERCIAL TARIFFS**			
2.1	**Commercial Conventiona**			
	Energy Charge	166.73	178.13	6.84%
	Basic Charge	366.26	391.31	6.84%
2.2	**Commercial Prepayment**			
	Tariff 3 (small) energy char	200.10	213.79	6.84%
	Tariff 4 (big) energy charge	200.10	213.79	6.84%
3	**INDUSTRIAL TARIFFS**			
3.1	**Industrial low: ≤ 100KVA**			
	Energy charge	86.93	92.88	6.84%
	Basic charge	1242.00	1326.95	6.84%
	Demand charge/ KVA	264.08	282.14	6.84%
3.2	**Industrial high: ≥ 100KVA**			
	Energy charge	62.13	66.38	6.84%
	Basic charge	1088.29	1162.73	6.84%
	Demand charge	264.15	282.22	6.84%
A minimum of 70% will be charged on all NMD capacity per month				

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the municipality. The municipality reticulation network maximum notified demand is being exceeded from time to time as a result of developments and increased demand. Eskom quoted for R100 million to increase the demand the municipality is currently being penalized by ESKOM for exceeding the NMD.

1.4.3 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The municipality in attempt to breakeven has increased the tariff by 7 per cent. One per cent above the recommended tariffs for other services.

A 7 per cent increase in the waste removal tariff is proposed from 1 July 2018. Any increase higher than 7 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2018:

Table 7 Comparison between current waste removal fees and increases

	ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS AS FROM 01 JULY 2018		
	INCOME	2017/2018	2018/2019
3.0	**SOLID WASTE : Proposed increment 7%**		
	Refuse Removal : Full Level of Service		
	Annual Charges		
3.1.1	Domestic (2 bags or bins once per week)	2354.14	2518.93
3.1.2	Commercial/Industrial/Institutional (2 bins or bags once per week)	4735.17	5066.63
3.1.3	Per additional bag or bin	2354.14	2518.93
3.1.4	Per additional service removal per week	4735.17	5066.63
3.1.5	240 L Bin rental per annum		
	Emptying charge of 240L bin per annum		
4.2	Refuse Removal : Full Level of Service		
	Monthly Charges	198.60	212.50
4.2.1	Domestic (2 bags or bins once per week)	4.89	5.23
4.2.2	Commercial/Industrial/Institutional (2 bins or bags once per week)	198.60	212.50
4.2.3	Per additional bag or bin	399.41	427.37
4.2.4	Per additional service removal per week		
4.2.5	240L Bin rental per month	13.66	14.62
4.2.6	240L Bin Clearance / per bin	28.46	30.45
4.2.7	Emptying charge of 240L bin : Household per month	113.60	121.55
4.3	Refuse Removal : Basic Level of Service		
	Annual Charges		
4.3.1	Domestic	1345.22	1439.38
4.3.2	Business/Industry	3147.81	3368.15
4.3.3	Government Institutions	3147.81	3368.15
4.3.4	Coffee Bay & Hole-in-the-Wall		
4.4	**Refuse Removal : Basic Level of Service**		
	Monthly Charges		
4.4.1	Domestic	113.60	121.55
4.4.2	Business/Industry	265.01	283.57
4.4.3	Government Institutions	265.01	283.57
4.5	**Sales**		
4.5.1	240L Refuse bins (each)	660.32	706.54
4.5.2	Plastic Refuse Bags (per pack)		
4.6	**Skips**		
4.6.1	Rental per skip per month	887.71	949.85
4.6.2	Rental per skip per year	10529.55	11266.61

4.6.3	Charge per clearance of skip	624.80	668.53
4.7	**Excess Refuse**		
4.7.1	Garden Refuse (per 2.5lt load)	374.34	400.55
4.7.2	Removal of scrap vehicles (per vehicle load)	524.14	560.83
4.7.3	Hire of skip container per day : Garden Refuse / Excess	284.57	304.48
4.8	**Penalty for Illegal Dumping : Proposed increment at 7%**		
4.8.1	Garden and/ or domestic refuse	414.77	443.80
4.9	**Trolley Bins**	0.00	0.00
4.9.1	Rental (per bin per month)	414.77	443.80
4.9.2	Charge per clearance	414.77	443.80
4.1	**Disposal Charges to Mthatha & Mqanduli Landfill Site: Weigh Bridge**		
4.10.1	Domestic & Trade Waste per tonne	56.924	60.91
4.10.2	Rubble or concrete per tonne	28.462	30.45
4.10.3	Material suitable to be used for cover	free	free
4.11	**Disposal Charges to Mthatha & Mqanduli Site: Not Weighed**		
4.11.1	Small vehicle up to 1 tonne load capacity	51.2316	54.82
4.11.2	3 - 4 tonne vehicle	204.9264	219.27
4.11.3	5 - 8 tonne vehicle	284.62	304.54
4.12	**Garden Waste**		
4.12.1	Clean Greens per tonne	22.7696	24.36
4.12.2	Any other green material including tree trunks per tonne	37.56984	40.20
4.13	**Permits**		
4.13.1	Domestic Solid Waste Handling Permit per vehicle per annum	569.24	609.09

1.5 Operating Expenditure Framework

The following table is a high level summary of the 2018/2019 budget and MTREF (classified per main type of operating expenditure):

Table 8 Summary of operating expenditure by standard classification item

EC157 King Sabata Dalindyebo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Expenditure By Type										
Employee related costs	310,827	328,913	360,610	422,759	452,054	452,054	452,054	442,923	464,523	489,942
Remuneration of councillors	20,854	22,687	23,820	26,732	26,391	26,391	26,391	26,589	28,024	29,566
Debt impairment	78,897	62,068	14,168	28,053	29,708	29,708	29,708	29,540	31,135	32,847
Depreciation & asset impairment	245,600	164,553	151,119	165,723	218,340	218,340	218,340	78,819	83,075	87,561
Finance charges	16,290	14,265	14,728	28,461	30,141	30,141	30,141	29,970	31,588	33,326
Bulk purchases	185,321	228,881	250,059	285,635	285,386	285,386	285,386	306,543	323,096	340,867
Other materials		29,650	55,210		22,223	22,223	22,223	6,061	6,017	6,059
Contracted services	7,889	8,642	10,552	7,982	43,494	43,494	43,494	57,966	53,379	55,145
Transfers and subsidies	29,618	37,969	55,871	24,000	104	104	104	107	108	114
Other expenditure	127,113	110,532	130,353	200,149	158,756	158,756	158,756	146,869	146,583	155,331
Loss on disposal of PPE	66,829	4,303	3,033							
Total Expenditure	1,089,237	1,012,484	1,069,524	1,189,494	1,268,595	1,268,595	1,268,595	1,125,406	1,167,529	1,230,757

Salaries

The budgeted allocation for employee related costs for the 2018/19 financial year totals R442.9 million, which equals 39 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 7.3 per cent for the 2018/2019 financial year. An annual increase of 5.4 per cent has been included in the two outer years of the MTREF.

Remuneration of Councilors

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the City's budget.

Provision for doubt debts

The provision of debt impairment was determined based on an annual collection rate of 95 per cent and the Debt Write-off Policy of the municipality. For the 2018/19 financial year this amount equates to R29.5 million and escalates to R32.8 million by 2020/2021. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for impairment and depreciation

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for

the measurement of the rate asset consumption. Budget appropriations in this regard total R78.8 million for the 2018/2019 financial year and equates to 7 per cent of the total operating expenditure.

Finance costs

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 3 per cent (R29.9 million) of operating expenditure excluding annual redemption for 2018/2019 and increases to R33.3 million by 2020/21.

Bulk purchases

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.

Contracted Services

As part of the compilation of the 2018/2019 MTREF the budget for this category of expenditure amounts to R57.9 million representing 5 per cent of the operating expenditure budget. This includes all outsourced services including catering, contracted Service Providers for repairs and maintenance.

Other expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality. Budgets relating to non-core functions of the municipality has been reduced to ensure that the municipality complies to circulars on cost cutting measures. This is done to cut none core expenditure and to focus on service delivery and other core functions of the municipality. The budget id set at R147 million for general expenditure. Included in the other expenditure are the following line items

General expenses other

General expenditure is budgeted for at R89.4 million and includes the following:

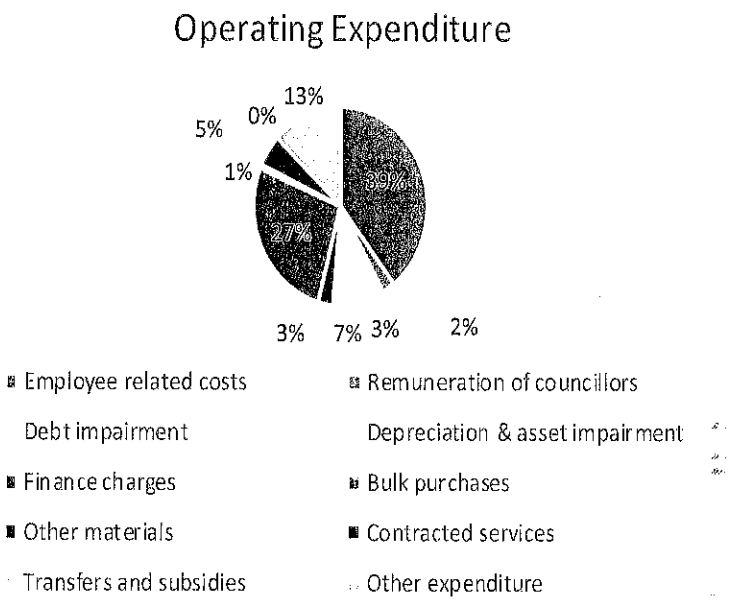
- **Free Basic Services: Basic Social Services Package**

  The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy.

  The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

  The budget for the current year is R24 million to cater for free basic electricity, alternative energy and subsidy for rates and other services.

The following table gives a breakdown of the main expenditure categories for the 2018/2019 financial year.



1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 9 2018/2019 Medium-term capital budget per vote

EC157 King Sabata Dalindyebo - Table A5 Budgeted Capital Expenditure by vote

Vote Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Single-year expenditure to be appropriated										
Vote 1 - EXECUTIVE & COUNCIL	39	-	-	-				-	-	-
Vote 2 - FINANCE & ASSET MANAGEMENT	3,493	13,570	12,259	7,293	389	389	389	103,381	2,536	2,536
Vote 3 - CORPORATE SERVICES	315	-	-	-	3,998	3,998	3,998	-	-	-
Vote 4 - PLANNING, SOCIAL AND ECONOMIC DEVELOPMENT	-	-	-	284	234	234	234	117	88	88
Vote 5 - HUMAN SETTLEMENT	76	45,761	32,387	77,979	95,396	95,396	95,396	182,431	177,631	21
Vote 6 - COMMUNITY SERVICES	2,159	1,118	260	200	418	418	418	209	157	157
Vote 7 - PUBLIC SAFETY	5,480	-	-	319	237	237	237	119	89	89
Vote 8 - INFRASTRUCTURE	146,339	271,147	320,283	149,641	181,318	181,318	181,318	131,943	104,473	99,533
Capital single-year expenditure sub-total	157,901	331,597	365,189	235,716	281,990	281,990	281,990	418,200	284,973	102,424
Total Capital Expenditure - Vote	157,901	331,597	365,189	235,716	281,990	281,990	281,990	418,200	284,973	102,424

For 2018/2019 an amount of R131.9 Million has been appropriated for the development of infrastructure. In the outer years this amount totals R104 million and R99 million, respectively for each of the financial years.
Human Settlement budget for housing is R182.4 million in 2018/19 and R177.6 in 2019/20.

Fleet, plant and machinery is budgeted for at R100 million for 2018/19. This is financed by finance loan obtained from the bank.

1.7 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2018/2019 budget and MTREF as approved by the Council.

Table 10 MBRR Table A1 - Budget Summary

EC157 King Sabata Dalindyebo - Table A1 Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Financial Performance										
Property rates	**159,462**	180,579	191,221	242,248	232,248	232,248	232,248	246,183	260,954	276,611
Service charges	266,743	316,132	350,427	439,232	438,791	438,791	438,791	468,855	497,489	527,877
Investment revenue	4,399	3,341	1,634	3,526	3,526	3,526	3,526	–	–	–
Transfers recognised - operational	220,077	264,689	275,617	293,208	296,639	296,639	296,639	321,331	343,668	371,830
Other own revenue	262,878	216,081	267,383	84,968	90,709	90,709	90,709	93,035	98,617	104,534
Total Revenue (excluding capital transfers and contributions)	913,579	980,822	1,086,463	1,063,181	1,061,913	1,061,913	1,061,913	1,129,403	1,200,728	1,280,853
Employee costs	310,827	328,913	360,610	422,759	418,178	418,178	418,178	442,923	464,523	489,942
Remuneration of councillors	20,854	22,687	23,820	26,732	26,608	26,608	26,608	26,589	28,024	29,566
Depreciation & asset impairment	245,600	164,553	151,119	165,723	165,723	165,723	165,723	78,819	83,075	87,561
Finance charges	16,290	14,285	14,728	28,461	28,461	28,461	28,461	29,970	31,588	33,326
Materials and bulk purchases	185,321	258,531	305,270	285,635	301,611	301,611	301,611	312,624	329,114	346,925
Transfers and grants	29,618	37,969	55,871	24,000	118	118	118	107	108	114
Other expenditure	280,728	185,546	168,107	236,184	250,370	250,370	250,370	234,374	231,097	243,323
Total Expenditure	1,089,237	1,012,484	1,069,524	1,189,494	1,191,069	1,191,069	1,191,069	1,125,406	1,167,529	1,230,757
Surplus/(Deficit)	(175,658)	(31,662)	16,958	(126,313)	(129,156)	(129,156)	(129,156)	3,998	33,199	50,096
Transfers and subsidies - capital (monetary allo	164,242	204,073	199,953	134,978	411,348	411,348	411,348	314,203	281,975	99,426
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(11,416)	172,411	216,911	8,665	282,191	282,191	282,191	318,200	315,174	149,522
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(11,416)	172,411	216,911	8,665	282,191	282,191	282,191	318,200	315,174	149,522
Capital expenditure & funds sources										
Capital expenditure	**157,901**	331,597	365,189	235,716	281,990	281,990	281,990	418,200	284,973	102,424
Transfers recognised - capital	**149,188**	206,085	184,388	227,052	276,370	276,370	276,370	314,203	281,975	99,426
Public contributions & donations	**–**	108,911	167,751	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	100,000	–	–
Internally generated funds	**8,713**	16,622	13,049	8,665	5,620	5,620	5,620	3,998	2,998	2,998
Total sources of capital funds	**157,901**	331,597	365,189	235,716	281,990	281,990	281,990	418,200	284,973	102,424
Financial position										
Total current assets	**87,125**	69,241	120,981	190,389	190,389	190,389	190,389	288,642	404,689	424,306
Total non current assets	**2,384,555**	2,568,183	2,798,115	2,462,568	2,496,344	2,496,344	2,496,344	2,759,988	2,839,076	2,778,808
Total current liabilities	**288,155**	318,805	386,000	196,495	196,495	196,495	196,495	259,377	449,913	465,118
Total non current liabilities	**85,603**	69,627	66,812	116,642	116,642	116,642	116,642	204,153	257,015	269,866
Community wealth/Equity	**2,097,922**	2,248,992	2,466,283	2,339,820	2,373,596	2,373,596	2,373,596	2,585,101	2,537,037	2,468,130
Cash flows										
Net cash from (used) operating	**236,432**	212,726	207,191	347,877	363,422	363,422	363,422	389,524	414,614	249,426
Net cash from (used) investing	**(156,042)**	(220,924)	(196,975)	(235,716)	(255,510)	(255,510)	(255,510)	(292,693)	(283,375)	(100,730)
Net cash from (used) financing	**(168,684)**	(19,488)	(4,177)	15,000	15,000	15,000	15,000	(42,039)	(64,601)	(135,636)
Cash/cash equivalents at the year end	**40,186**	12,502	18,541	139,662	135,413	135,413	135,413	194,454	261,092	274,152
Cash backing/surplus reconciliation										
Cash and investments available	**40,187**	12,502	18,541	139,662	139,662	139,662	139,662	194,454	261,097	274,152
Application of cash and investments	**230,286**	260,664	296,898	115,719	115,727	115,727	115,727	115,454	130,367	138,367
Balance - surplus (shortfall)	**(190,099)**	(248,162)	(278,357)	23,943	23,935	23,935	23,935	79,000	130,729	135,785
Asset management										
Asset register summary (WDV)	**2,421,162**	2,568,183	2,798,115	2,462,568	2,496,344	2,496,344		2,759,988	2,839,076	2,778,808
Depreciation	**245,600**	164,553	151,119	165,723	165,723	165,723		78,819	83,075	87,561
Renewal of Existing Assets	**–**	–	–	141,431	123,367	123,367		98,590	96,051	99,928
Repairs and Maintenance	**15,286**	29,650	55,210	43,328	41,977	41,977		33,537	32,417	32,406
Free services										
Cost of Free Basic Services provided	**15,890**	15,890	15,890	15,890	15,890	15,890	15,890	15,890	15,890	15,890
Revenue cost of free services provided	**–**	–	–	–	15,198	15,198	16,110	16,110	16,110	17,077
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	15	15	15	15	15	15	15	15	15	15
Energy:	81	81	81	81	81	81	81	81	81	81
Refuse:	76	76	76	76	76	76	76	76	76	76

Explanatory notes to MBRR Table A1 - Budget Summary

Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
b. Capital expenditure is balanced by capital funding sources, of which
    i. Transfers recognised is reflected on the Financial Performance Budget;
    ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    iii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2020/2021 when a small surplus is reflected.

Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs..

Table 11 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

EC157 King Sabata Dalindyebo - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional										
Governance and administration		617,020	527,499	532,915	586,122	576,331	576,331	614,579	659,917	707,101
Executive and council		1,953	2,162	1,227	254	254	254	269	285	302
Finance and administration		615,067	525,337	531,688	585,868	576,077	576,077	614,310	659,632	706,798
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		50,079	70,220	69,860	38,108	133,512	133,512	191,261	187,101	10,051
Community and social services		3,463	647	8,789	2,482	2,485	2,485	2,529	2,782	2,939
Sport and recreation		85	–	–	140	76	76	80	85	90
Public safety		16,981	21,535	21,148	3,929	5,707	5,707	6,250	6,624	7,022
Housing		29,550	48,038	39,923	31,557	125,245	125,245	182,403	177,610	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		78,799	192,228	258,581	121,199	237,427	237,427	122,803	113,350	119,856
Planning and development		2,783	111,539	170,651	6,503	97,401	97,401	14,574	12,037	12,722
Road transport		76,016	80,688	87,930	114,696	140,026	140,026	108,229	101,313	107,134
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		331,923	394,949	425,080	452,456	525,697	525,697	514,720	522,079	542,998
Energy sources		297,200	358,746	388,472	407,979	477,220	477,220	463,622	467,411	484,512
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	44,476	–	–	–	–	–
Waste management		34,723	36,203	36,608	–	48,477	48,477	51,099	54,668	58,487
Other	4	–	–	–	275	293	293	242	257	272
Total Revenue - Functional	2	1,077,821	1,184,895	1,286,436	1,198,159	1,473,260	1,473,260	1,443,606	1,482,703	1,380,279
Expenditure - Functional										
Governance and administration		649,690	486,242	473,252	404,957	431,953	431,953	428,039	439,459	462,591
Executive and council		68,585	73,639	80,490	89,743	76,876	76,876	76,283	80,332	84,739
Finance and administration		581,105	412,603	392,762	310,707	350,599	350,599	347,395	354,530	373,002
Internal audit		–	–	–	4,506	4,477	4,477	4,362	4,597	4,850
Community and public safety		118,259	126,463	151,858	57,734	51,429	51,429	52,376	54,674	59,711
Community and social services		7,190	8,445	15,945	15,423	16,595	16,595	17,307	18,246	21,309
Sport and recreation		1,965	–	–	21,480	12,933	12,933	12,992	13,537	14,272
Public safety		89,664	97,790	113,729	17,057	17,352	17,352	18,040	18,860	19,877
Housing		19,440	20,229	22,184	3,773	4,549	4,549	4,036	4,031	4,253
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		58,747	76,924	83,225	327,923	308,633	308,633	241,616	250,594	262,839
Planning and development		15,998	22,776	22,782	48,103	33,269	33,269	29,670	30,001	31,454
Road transport		39,706	50,426	55,771	274,585	270,036	270,036	206,277	214,632	225,097
Environmental protection		3,043	3,722	4,672	5,235	5,328	5,328	5,668	5,961	6,289
Trading services		262,521	322,855	361,189	398,880	399,044	399,044	403,369	422,799	445,611
Energy sources		211,933	272,204	306,365	333,500	324,583	324,583	336,406	352,724	371,695
Water management		–	–	–	–	–	–	–	–	–
Waste water management		27,800	–	–	4,162	13,545	13,545	8,772	9,239	9,741
Waste management		22,788	50,651	54,824	61,218	60,915	60,915	58,191	60,836	64,174
Other	4	19	–	–	–	11	11	5	4	4
Total Expenditure - Functional	3	1,089,237	1,012,484	1,069,524	1,189,494	1,191,069	1,191,069	1,125,406	1,167,529	1,230,756
Surplus/(Deficit) for the year		(11,416)	172,411	216,911	8,665	282,191	282,191	318,200	315,174	149,522

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

Table 12 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

EC157 King Sabata Dalindyebo - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote	1									
Vote 1 - EXECUTIVE & COUNCIL		1,953	2,162	1,227	1,436	1,436	1,436	1,522	1,613	1,710
Vote 2 - FINANCE & ASSET MANAGEMENT		614,266	525,834	530,672	573,329	574,111	574,111	601,907	651,373	698,404
Vote 3 - CORPORATE SERVICES		802	3,592	1,016	784	784	784	813	550	583
Vote 4 - PLANNING, SOCIAL AND ECONOMIC DEVE		2,868	111,539	170,651	9,989	59,609	59,609	5,081	2,540	2,683
Vote 5 - HUMAN SETTLEMENT		29,550	48,038	39,923	31,557	126,897	126,897	184,154	179,466	1,968
Vote 6 - COMMUNITY SERVICES		38,185	36,850	45,397	54,345	58,345	58,345	61,156	60,753	64,577
Vote 7 - PUBLIC SAFETY		16,981	21,535	21,148	23,134	24,434	24,434	24,434	25,900	27,454
Vote 8 - INFRASTRUCTURE		373,216	435,345	476,403	503,586	627,645	627,645	564,539	560,508	582,900
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1,077,821	1,184,895	1,286,436	1,198,159	1,473,260	1,473,260	1,443,606	1,482,703	1,380,279
Expenditure by Vote *to be appropriated*	1									
Vote 1 - EXECUTIVE & COUNCIL		68,585	73,639	80,490	98,944	98,936	98,936	98,442	103,331	108,804
Vote 2 - FINANCE & ASSET MANAGEMENT		533,538	375,321	335,079	234,724	235,392	235,392	226,017	232,826	245,291
Vote 3 - CORPORATE SERVICES		47,567	44,086	57,684	43,467	43,784	43,784	46,840	48,677	51,350
Vote 4 - PLANNING, SOCIAL AND ECONOMIC DEVE		16,297	22,776	22,782	25,365	30,642	30,642	30,736	31,874	35,681
Vote 5 - HUMAN SETTLEMENT		19,440	20,229	22,184	35,449	33,551	33,551	32,154	32,776	34,578
Vote 6 - COMMUNITY SERVICES		62,507	62,817	75,441	86,601	85,811	85,811	83,957	83,367	87,609
Vote 7 - PUBLIC SAFETY		89,664	97,790	113,729	114,135	114,262	114,262	120,378	126,540	133,479
Vote 8 - INFRASTRUCTURE		251,638	315,827	362,136	550,808	548,692	548,692	486,880	508,137	533,966
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1,089,237	1,012,484	1,069,524	1,189,494	1,191,069	1,191,069	1,125,406	1,167,529	1,230,756
Surplus/(Deficit) for the year	2	(11,416)	172,411	216,911	8,665	282,191	282,191	318,200	315,174	149,522

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the City. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table 13 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

EC157 King Sabata Dalindyebo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source											
Property rates	2	159,482	180,579	191,221	242,248	232,248	232,248	232,248	246,183	260,954	276,611
Service charges - electricity revenue	2	239,978	281,198	314,858	368,764	391,743	391,743	391,743	418,513	443,624	470,242
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	26,765	34,934	35,569	43,048	47,048	47,048	47,048	50,342	53,865	57,636
Service charges - other			-	-	7,420	-	-	-			
Rental of facilities and equipment		15,068	15,193	14,294	19,319	19,321	19,321	19,321	18,596	19,711	20,894
Interest earned - external investments		4,399	3,341	1,834	3,526	3,526	3,526	3,526			
Interest earned - outstanding debtors		25,091	32,326	37,111	37,807	30,602	30,602	30,602	40,076	42,480	45,029
Dividends received		-	-	-	-	-	-	-			
Fines, penalties and forfeits		967	1,026	1,392	2,691	3,233	3,233	3,233	2,722	2,885	3,058
Licences and permits		13,618	13,980	15,155	17,168	2,084	2,084	2,084	2,409	2,554	2,707
Agency services		-	-	-	-	15,159	15,159	15,159	15,115	16,022	16,984
Transfers and subsidies		220,077	264,689	275,617	293,208	296,639	296,639	296,639	321,331	343,868	371,830
Other revenue	2	208,133	153,557	199,432	6,561	18,888	18,888	18,888	12,610	13,367	14,169
Gains on disposal of PPE					1,422	1,422	1,422	1,422	1,507	1,598	1,694
Total Revenue (excluding capital transfers and contributions)		**913,579**	**980,822**	**1,086,483**	**1,063,181**	**1,061,913**	**1,061,913**	**1,061,913**	**1,129,403**	**1,200,728**	**1,280,853**
Expenditure By Type											
Employee related costs	2	310,827	328,913	360,610	422,759	418,178	418,178	418,178	442,923	464,523	489,942
Remuneration of councillors		20,854	22,687	23,820	26,732	26,608	26,608	26,608	26,589	28,024	29,566
Debt impairment	3	78,897	62,068	14,168	28,053	28,053	28,053	28,053	29,540	31,135	32,847
Depreciation & asset impairment	2	245,600	164,553	151,119	165,723	165,723	165,723	165,723	78,819	83,075	87,561
Finance charges		16,290	14,285	14,728	28,461	28,461	28,461	28,461	29,970	31,588	33,326
Bulk purchases	2	185,321	228,881	250,059	285,635	285,635	285,635	285,635	306,543	323,096	340,867
Other materials	8		29,650	55,210		15,976	15,976	15,976	6,081	6,017	6,059
Contracted services		7,889	8,642	10,552	7,982	63,993	63,993	63,993	57,966	53,379	55,145
Transfers and subsidies		29,618	37,969	55,871	24,000	118	118	118	107	108	114
Other expenditure	4, 5	127,113	110,532	130,353	200,149	158,324	158,324	158,324	148,869	146,583	155,331
Loss on disposal of PPE		66,829	4,303	3,033							
Total Expenditure		**1,089,237**	**1,012,484**	**1,089,524**	**1,188,494**	**1,191,069**	**1,191,069**	**1,191,069**	**1,125,406**	**1,167,529**	**1,230,757**
Surplus/(Deficit)		**(175,658)**	**(31,662)**	**16,958**	**(126,313)**	**(129,156)**	**(129,156)**	**(129,156)**	**3,998**	**33,199**	**50,096**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		164,242	204,073	199,953	134,978	411,348	411,348	411,348	314,203	281,975	99,426
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Transfers and subsidies - capital (in-kind - all)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		**(11,416)**	**172,411**	**216,911**	**8,665**	**282,191**	**282,191**	**282,191**	**318,200**	**315,174**	**149,522**
Taxation											
Surplus/(Deficit) after taxation		**(11,416)**	**172,411**	**216,911**	**8,665**	**282,191**	**282,191**	**282,191**	**318,200**	**315,174**	**149,522**
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		**(11,416)**	**172,411**	**216,911**	**8,665**	**282,191**	**282,191**	**282,191**	**318,200**	**315,174**	**149,522**
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		**(11,416)**	**172,411**	**216,911**	**8,665**	**282,191**	**282,191**	**282,191**	**318,200**	**315,174**	**149,522**

Table 14 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

EC157 King Sabata Dalindyebo - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE & COUNCIL		39	-	-	-	389	389	389	-	-	-
Vote 2 - FINANCE & ASSET MANAGEMENT		3,493	13,570	12,259	7,293	7,248	7,248	7,248	103,381	2,536	2,536
Vote 3 - CORPORATE SERVICES		315	-	-	-	-	-	-	-	-	-
Vote 4 - PLANNING, SOCIAL AND ECONOMIC DEVE		-	-	-	284	234	234	234	117	88	88
Vote 5 - HUMAN SETTLEMENT		76	45,761	32,387	77,979	95,396	95,396	95,396	182,431	177,631	21
Vote 6 - COMMUNITY SERVICES		2,159	1,118	260	200	418	418	418	209	157	157
Vote 7 - PUBLIC SAFETY		5,480	-	-	319	237	237	237	119	89	89
Vote 8 - INFRASTRUCTURE		146,339	271,147	320,283	149,641	178,068	178,068	178,068	131,943	104,473	99,533
Capital single-year expenditure sub-total		157,901	331,597	365,189	235,716	281,990	281,990	281,990	418,200	284,973	102,424
Total Capital Expenditure - Vote		157,901	331,597	365,189	235,716	281,990	281,990	281,990	418,200	284,973	102,424
Capital Expenditure - Functional											
Governance and administration		3,847	13,570	12,259	7,293	4,387	4,387	4,387	103,381	2,536	2,536
Executive and council		39									
Finance and administration		3,808	13,570	12,259	7,293	4,387	4,387	4,387	103,381	2,536	2,536
Internal audit											
Community and public safety		5,895	46,879	32,647	78,582	95,752	95,752	95,752	182,609	177,765	155
Community and social services		339	1,118	260	110	140	140	140	70	53	53
Sport and recreation					250	180	180	180	90	67	67
Public safety		5,480			319	92	92	92	46	35	35
Housing		76	45,761	32,387	77,902	95,340	95,340	95,340	182,403	177,610	
Health											
Economic and environmental services		92,890	190,658	249,502	91,416	112,078	112,078	112,078	88,144	82,074	86,734
Planning and development					7,719	2,295	2,295	2,295	87	66	66
Road transport		92,890	190,658	249,502	83,697	109,783	109,783	109,783	88,057	82,008	86,669
Environmental protection											
Trading services		55,268	80,489	70,781	58,425	69,773	69,773	69,773	44,065	22,599	12,999
Energy sources		53,448	80,489	70,781	58,225	69,355	69,355	69,355	43,856	22,442	12,842
Water management						-	-	-			
Waste water management					180	-	-	-			
Waste management		1,820			20	418	418	418	209	157	157
Other											
Total Capital Expenditure - Functional	3	157,901	331,597	365,189	235,716	281,990	281,990	281,990	418,200	284,973	102,424
Funded by:											
National Government		81,812	104,359	81,220	98,418	119,069	119,069	119,069	100,081	104,365	99,426
Provincial Government		67,376	101,705	103,168	128,634	157,301	157,301	157,301	214,122	177,610	
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	149,188	206,065	184,388	227,052	276,370	276,370	276,370	314,203	281,975	99,426
Public contributions & donations	5		108,911	167,751							
Borrowing	6								100,000		
Internally generated funds		8,713	16,622	13,049	8,665	5,620	5,620	5,620	3,998	2,998	2,998
Total Capital Funding	7	157,901	331,597	365,189	235,716	281,990	281,990	281,990	418,200	284,973	102,424

Table 15 MBRR Table A6 - Budgeted Financial Position

EC157 King Sabata Dalindyebo - Table A6 Budgeted Financial Position

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSETS											
Current assets											
Cash		7,487	6,238	5,218	24,154	24,154	24,154	24,154	60,383	54,346	57,063
Call investment deposits	1	32,700	6,264	13,323	115,509	115,509	115,509	115,509	134,071	206,751	217,089
Consumer debtors	1	40,219	31,155	45,050	30,867	30,867	30,867	30,867	32,897	34,695	35,603
Other debtors			17,928	48,110	11,438	11,438	11,438	11,438	53,027	92,987	97,636
Current portion of long-term receivables											
Inventory	2	6,719	7,657	9,280	8,422	8,422	8,422	8,422	8,264	16,110	16,915
Total current assets		87,125	69,241	120,981	190,389	190,389	190,389	190,389	288,642	404,889	424,306
Non current assets											
Long-term receivables											
Investments											
Investment property		205,205	226,859	245,734	205,205	205,205	205,205	205,205	245,804	288,020	316,822
Investment in Associate											
Property, plant and equipment	3	2,172,959	2,333,309	2,546,740	2,251,480	2,285,256	2,285,256	2,285,256	2,508,420	2,542,789	2,454,076
Agricultural											
Biological											
Intangible		1,694	1,317	944	1,186	1,186	1,186	1,186	1,067	3,570	3,213
Other non-current assets		4,697	4,697	4,697	4,697	4,697	4,697	4,697	4,697	4,697	4,697
Total non current assets		2,384,555	2,568,183	2,798,115	2,462,568	2,496,344	2,496,344	2,496,344	2,759,988	2,839,076	2,778,808
TOTAL ASSETS		2,471,680	2,637,424	2,919,096	2,652,957	2,686,733	2,686,733	2,686,733	3,048,630	3,243,964	3,203,114
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	19,961	10,072	10,710	24,072	24,072	24,072	24,072	36,522	54,361	57,079
Consumer deposits		12,757	15,719	17,016	15,719	15,719	15,719	15,719	26,975	145,808	145,808
Trade and other payables	4	255,438	293,015	358,275	156,704	156,704	156,704	156,704	195,880	249,743	262,231
Provisions											
Total current liabilities		288,155	318,805	386,000	196,495	196,495	196,495	196,495	259,377	449,913	465,118
Non current liabilities											
Borrowing		46,667	32,398	27,584	80,096	80,096	80,096	80,096	147,583	176,621	185,452
Provisions		38,936	37,229	39,228	36,546	36,546	36,546	36,546	56,570	80,394	84,414
Total non current liabilities		85,603	69,627	66,812	116,642	116,642	116,642	116,642	204,153	257,015	269,866
TOTAL LIABILITIES		373,758	388,432	452,813	313,137	313,137	313,137	313,137	463,530	706,928	734,983
NET ASSETS	5	2,097,922	2,248,992	2,466,283	2,339,820	2,373,596	2,373,596	2,373,596	2,585,101	2,537,037	2,468,130
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1,710,816	1,861,958	2,078,870	1,937,927	1,971,703	1,971,703	1,971,703	2,198,067	2,150,003	2,081,097
Reserves	4	387,106	387,034	387,414	401,893	401,893	401,893	401,893	387,034	387,034	387,034
TOTAL COMMUNITY WEALTH/EQUITY	5	2,097,922	2,248,992	2,466,283	2,339,820	2,373,596	2,373,596	2,373,596	2,585,101	2,537,037	2,468,130

Table 16 MBRR Table A7 - Budgeted Cash Flow Statement

EC157 King Sabata Dalindyebo - Table A7 Budgeted Cash Flows

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		133,934	138,762	174,851	241,657	231,657	231,657	231,657	221,564	234,858	248,950
Service charges		297,011	300,850	327,328	453,892	459,192	459,192	459,192	476,745	504,940	532,223
Other revenue			30,198	30,840	45,617	45,617	45,617	45,617	58,852	60,011	62,318
Government - operating	1	220,077	323,960	270,846	293,208	296,039	296,039	296,039	321,436	343,667	369,766
Government - capital	1	75,015	146,764	199,953	235,716	255,305	255,305	255,305	290,203	281,975	99,426
Interest		29,490	35,667	36,945	41,222	41,222	41,222	41,222	40,076	42,480	45,029
Dividends									–	–	–
Payments											
Suppliers and employees		(502,804)	(749,190)	(820,845)	(910,975)	(889,268)	(889,268)	(889,268)	(987,075)	(1,021,622)	(1,074,845)
Finance charges		(16,290)	(14,285)	(14,728)	(28,461)	(28,461)	(28,461)	(28,461)	(29,970)	(31,588)	(33,326)
Transfers and Grants	1				(24,000)	(47,882)	(47,882)	(47,882)	(107)	(106)	(114)
NET CASH FROM/(USED) OPERATING ACTIVITIES		236,432	212,726	207,191	347,877	363,422	363,422	363,422	389,524	414,614	249,426
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		759	1,410	83					1,507	1,598	1,694
Decrease (Increase) in non-current debtors									–	–	–
Decrease (increase) other non-current receivables									–	–	–
Decrease (increase) in non-current investments		(322)	353	380					–	–	–
Payments											
Capital assets		(156,479)	(222,686)	(197,437)	(235,716)	(255,510)	(255,510)	(255,510)	(294,200)	(284,973)	(102,424)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(156,042)	(220,924)	(196,975)	(235,716)	(255,510)	(255,510)	(255,510)	(292,693)	(283,375)	(100,730)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing					15,000	15,000	15,000	15,000	–	–	–
Increase (decrease) in consumer deposits									11,256	18,833	–
Payments											
Repayment of borrowing		(168,684)	(19,488)	(4,177)					(53,295)	(83,434)	(135,636)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(168,684)	(19,488)	(4,177)	15,000	15,000	15,000	15,000	(42,039)	(64,601)	(135,636)
NET INCREASE/ (DECREASE) IN CASH HELD		(88,293)	(27,685)	8,039	127,161	122,911	122,911	122,911	54,792	66,638	13,060
Cash/cash equivalents at the year begin:	2	128,479	40,187	12,502	12,502	12,502	12,502	12,502	139,662	194,454	261,092
Cash/cash equivalents at the year end:	2	40,186	12,502	18,541	139,662	135,413	135,413	135,413	194,454	261,092	274,152

Table 17 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

EC157 King Sabata Dalindyebo - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and Investments available											
Cash/cash equivalents at the year end	1	40,186	12,502	18,541	139,662	135,413	135,413	135,413	194,454	261,092	274,152
Other current investments > 90 days		1	–	–	(0)	4,249	4,249	4,249	(0)	5	(0)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		40,187	12,502	18,541	139,662	139,662	139,662	139,662	194,454	261,097	274,152
Application of cash and investments											
Unspent conditional transfers		–	–	–	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	230,286	260,664	296,898	115,719	115,727	115,727	115,727	115,454	130,367	138,367
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		230,286	260,664	296,898	115,719	115,727	115,727	115,727	115,454	130,367	138,367
Surplus(shortfall)		(190,099)	(248,162)	(278,357)	23,943	23,935	23,935	23,935	79,000	130,729	135,785

Table 18 MBRR Table A9 - Asset Management

EC157 King Sabata Dalindyebo - Table A9 Asset Management

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CAPITAL EXPENDITURE										
Total New Assets	1	157,901	331,597	385,189	94,286	125,079	125,079	194,819	182,564	2,496
Roads Infrastructure		92,890	158,440	249,311	–	6,059	6,059	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		53,448	80,489	70,781	492	2,215	2,215	–	–	–
Solid Waste Infrastructure		–	45,761	32,387	85,621	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	2,781	2,781	1,390	1,043	1,043
Infrastructure		*146,339*	*284,691*	*352,479*	*86,113*	*11,055*	*11,055*	*1,390*	*1,043*	*1,043*
Community Facilities		175	1,118	260	–	14,351	14,351	9,156	2,529	52
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		*175*	*1,118*	*260*	–	*14,351*	*14,351*	*9,156*	*2,529*	*52*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	3,497	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	*3,497*	–	–	–	–	–	–	–
Operational Buildings		–	–	–	8,173	236	236	118	88	88
Housing		–	–	–	–	95,340	95,340	182,403	177,610	–
Other Assets		–	–	–	*8,173*	*95,575*	*95,575*	*182,521*	*177,698*	*88*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		1,422	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		*1,422*	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	2,819	2,819	1,409	1,057	1,057
Furniture and Office Equipment		–	–	–	–	88	88	29	22	22
Machinery and Equipment		–	–	–	–	316	316	313	235	235
Transport Assets		9,965	42,291	12,450	–	875	875	–	–	–
Total Renewal of Existing Assets	2	–	–	–	141,431	123,367	123,367	98,590	96,051	99,928
Roads Infrastructure		–	–	–	83,697	64,015	64,015	78,121	73,149	86,626
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	57,734	58,013	58,013	19,800	22,400	12,800
Information and Communication Infrastructure		–	–	–	–	1,338	1,338	669	502	502
Infrastructure		–	–	–	*141,431*	*123,367*	*123,367*	*98,590*	*96,051*	*99,928*
Total Upgrading of Existing Assets	6	–	–	–	–	–	–	792	6,339	–
Infrastructure		–	–	–	–	–	–	–	–	–
Community Facilities		–	–	–	–	–	–	62	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	730	6,339	–
Community Assets		–	–	–	–	–	–	*792*	*6,339*	–
Total Capital Expenditure	4									
Roads Infrastructure		92,890	158,440	249,311	83,697	70,074	70,074	78,121	73,149	86,626
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		53,448	80,489	70,781	58,225	60,228	60,228	19,800	22,400	12,800
Solid Waste Infrastructure		–	45,761	32,387	85,621	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	4,119	4,119	2,059	1,545	1,545
Infrastructure		*146,339*	*284,691*	*352,479*	*227,543*	*134,421*	*134,421*	*99,980*	*97,093*	*100,970*
Community Facilities		175	1,118	260	–	14,351	14,351	9,218	2,529	52
Sport and Recreation Facilities		–	–	–	–	–	–	730	6,339	–
Community Assets		*175*	*1,118*	*260*	–	*14,351*	*14,351*	*9,948*	*8,868*	*52*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	3,497	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	*3,497*	–	–	–	–	–	–	–
Operational Buildings		–	–	–	8,173	236	236	118	88	88
Housing		–	–	–	–	95,340	95,340	182,403	177,610	–
Other Assets		–	–	–	*8,173*	*95,575*	*95,575*	*182,521*	*177,698*	*88*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		1,422	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		*1,422*	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	2,819	2,819	1,409	1,057	1,057
Furniture and Office Equipment		–	–	–	–	88	88	29	22	22
Machinery and Equipment		–	–	–	–	316	316	313	235	235
Transport Assets		9,965	42,291	12,450	–	875	875	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class		157,901	331,597	385,189	235,716	248,445	248,445	294,200	284,973	102,424

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Roads Infrastructure		404,164	660,200	806,190	758,981	315,160	315,160	172,973	193,795	171,866
Storm water Infrastructure					296,186	296,186	296,186	286,186	298,339	298,339
Electrical Infrastructure		53,448	257,906	426,109	191,264	399,582	399,582	135,767	128,592	129,892
Information and Communication Infrastructure								2,059	1,545	1,545
Infrastructure		*457,612*	*918,106*	*1,232,299*	*1,246,432*	*1,010,928*	*1,010,928*	*596,986*	*620,270*	*601,641*
Community Facilities		415,712	420,975	412,981		9,437	9,437			
Sport and Recreation Facilities					363,470	370,180	370,180	377,457	408,762	459,336
Community Assets		*415,712*	*420,975*	*412,981*	*363,470*	*379,617*	*379,617*	*377,457*	*408,762*	*459,336*
Heritage Assets		4,697	4,697	4,697	4,697	4,697	4,697	4,697	4,697	4,697
Revenue Generating		205,205	228,859	245,734	205,205	205,205	205,205	245,804	288,020	316,822
Non-revenue Generating										
Investment properties		*205,205*	*228,859*	*245,734*	*205,205*	*205,205*	*205,205*	*245,804*	*288,020*	*316,822*
Operational Buildings					367,753	370,831	370,831	416,931	463,124	463,124
Housing		805,794	455,090	378,390	189,936	95,340	95,340	590,565	580,782	412,984
Other Assets		*805,794*	*455,090*	*378,390*	*577,690*	*466,170*	*466,170*	*1,007,496*	*1,043,906*	*876,109*
Biological or Cultivated Assets										
Servitudes					1,186	1,186	1,186	1,067	3,570	3,213
Licences and Rights		1,694	1,317	944						
Intangible Assets		*1,694*	*1,317*	*944*	*1,186*	*1,186*	*1,186*	*1,067*	*3,570*	*3,213*
Computer Equipment						6,938	6,938	4,878	6,087	6,860
Furniture and Office Equipment						86	86	88	97	106
Machinery and Equipment		530,448	539,138	523,070		400,341	400,341	400,341	440,375	484,413
Transport Assets					20,830	21,174	21,174	121,174	23,292	25,621
Libraries					43,058					
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	2,421,162	2,566,183	2,798,115	2,462,568	2,496,344	2,496,344	2,759,980	2,839,076	2,778,808
EXPENDITURE OTHER ITEMS										
Depreciation	7	245,600	164,553	151,119	165,723	165,723	165,723	78,819	83,075	87,561
Repairs and Maintenance by Asset Class	3	15,286	29,650	55,210	43,326	41,977	41,977	33,537	32,417	32,486
Roads Infrastructure		6,709	12,156	15,189	25,148	20,380	20,380	21,109	22,153	22,153
Electrical Infrastructure		3,310	9,020	27,081	11,746	11,545	11,545	5,773	4,330	4,330
Sanitation Infrastructure		–	–	–	95	–	–	–	–	–
Solid Waste Infrastructure		562	4,397	7,471	153	–	–	–	–	–
Infrastructure		*10,581*	*25,573*	*49,741*	*37,141*	*31,926*	*31,926*	*26,882*	*26,482*	*26,482*
Community Facilities		–	54	65	–	50	50	25	19	19
Sport and Recreation Facilities		–	–	–	–	229	229	1,011	1,031	1,031
Community Assets		–	*54*	*65*	–	*279*	*279*	*1,036*	*1,049*	*1,049*
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		4,704	4,023	5,405	6,187	1,543	1,543	792	594	594
Other Assets		*4,704*	*4,023*	*5,405*	*6,187*	*1,543*	*1,543*	*792*	*594*	*594*
Computer Equipment		–	–	–	–	8	8	8	9	–
Furniture and Office Equipment		–	–	–	–	41	41	21	15	15
Machinery and Equipment		–	–	–	–	3,404	3,404	2,410	2,476	2,476
Transport Assets		–	–	–	–	4,776	4,776	2,388	1,791	1,790
TOTAL EXPENDITURE OTHER ITEMS		260,885	194,203	206,330	209,051	207,699	207,699	112,355	115,491	119,967

Table 19 MBRR Table A10 - Basic Service Delivery Measurement

EC157 King Sabata Dalindyebo - Table A10 Basic service delivery measurement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Household service targets	1									
Water:										
Piped water inside dwelling		42,626	42,626	42,626	42,626	42,626	42,626	42,626	42,626	42,626
Piped water inside yard (but not in dwelling)		24,405	24,405	24,405	24,405	24,405	24,405	24,405	24,405	24,405
Using public tap (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		67,031	67,031	67,031	67,031	67,031	67,031	67,031	67,031	67,031
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	67,031	67,031	67,031	67,031	67,031	67,031	67,031	67,031	67,031
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		37,356	37,356	37,356	37,356	37,356	37,356	37,356	37,356	37,356
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		53,138	53,138	53,138	53,138	53,138	53,138	53,138	53,138	53,138
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		90,494	90,494	90,494	90,494	90,494	90,494	90,494	90,494	90,494
Bucket toilet		496	496	496	496	496	496	496	496	496
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		14,416	14,416	14,416	14,416	14,416	14,416	14,416	14,416	14,416
Below Minimum Service Level sub-total		14,912	14,912	14,912	14,912	14,912	14,912	14,912	14,912	14,912
Total number of households	5	105,406	105,406	105,406	105,406	105,406	105,406	105,406	105,406	105,406
Energy:										
Electricity (at least min.service level)		450	450	450	450	450	450	450	450	450
Electricity - prepaid (min.service level)		76,732	76,732	76,732	76,732	76,732	76,732	76,732	76,732	76,732
Minimum Service Level and Above sub-total		77,182	77,182	77,182	77,182	77,182	77,182	77,182	77,182	77,182
Electricity (< min.service level)		60,464	60,464	60,464	60,464	60,464	60,464	60,464	60,464	60,464
Electricity - prepaid (< min. service level)		20,888	20,888	20,888	20,888	20,888	20,888	20,888	20,888	20,888
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		81,352	81,352	81,352	81,352	81,352	81,352	81,352	81,352	81,352
Total number of households	5	158,534	158,534	158,534	158,534	158,534	158,534	158,534	158,534	158,534
Refuse:										
Removed at least once a week		27,562	27,562	27,562	27,562	27,562	27,562	27,562	27,562	27,562
Minimum Service Level and Above sub-total		27,562	27,562	27,562	27,562	27,562	27,562	27,562	27,562	27,562
Removed less frequently than once a week		64,603	64,603	64,603	64,603	64,603	64,603	64,603	64,603	64,603
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		11,494	11,494	11,494	11,494	11,494	11,494	11,494	11,494	11,494
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		76,097	76,097	76,097	76,097	76,097	76,097	76,097	76,097	76,097
Total number of households	5	103,659	103,659	103,659	103,659	103,659	103,659	103,659	103,659	103,659

Part 2 – Supporting Documentation

2.1. Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1. Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year .e. in August a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget process plan on the time schedule in August 2017. Key dates applicable to the process were:

KING SABATA DALINDYEBO LOCAL MUNICIPALITY

Process Plan For Integrated Development Plan (IDP) 2018/19 Review, MTERF Budget and Performance Management System (PMS)

PREPARED BY THE OFFICE OF THE MUNICIPAL MANAGER JULY 2017

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1 INTRODUCTION AND LEGISLATIVE BACKGROUND

1.1 Introduction

- The Integrated Development Plan (IDP) and Budget Formulation process is a means through which the municipalities to prepare their strategic development plans for a five-year period. The five year plans are reviewed annually to allow for possible changing environment. IDP is one of the key instruments for local government to cope with its new developmental role. It facilitates decision-making on issues such as municipal budgets, land use planning and management, promotion of local economic development and institutional transformation in a consultative, systematic and strategic manner. In essence, The IDP is for planning, budgeting, management and decision making.

- In order to ensure certain minimum quality standards of the IDP and Budget review process, and proper coordination between, and within spheres of government, municipalities need to prepare IDP Review and Budget Formulation Process Plan (Process Plan). **The Process Plans must include the following:**

- A programme specifying the time-frames for the different planning steps; - justify
- Appropriate mechanisms, processes and procedures for consultation and participation of local communities, organs of state, traditional authorities and other role players in the IDP review and budget formulation processes;
- Cost estimates for the review process; and
- Take into cognisance that one ward has been added to KSD Local Municipality to make thirty-six (36) wards instead of thirty-five (35).

- The Process Plan must also be set out in writing, and requires the adoption by Council. It is critical for the council that the previous annual performance report be presented to the communities as part of the IDP Review process.

1.2 Legislative Background

The Municipal Systems Act, No 32 of 2000 (MSA) and the Municipal Finance Management Act, No 56 of 2003 (MFMA) regulate the preparation of the IDP and budget processes. As a legislative requirement, the IDP supersedes all other plans that guide development at local level. The MSA and MFMA confer the responsibility to provide political guidance over the IDP and Budget Formulation process on the Mayor.
In Chapter 5 Section 25 (1) of the MSA provides that, each municipal council must, within a prescribed period after the start of its elected term, adopt a single, all inclusive and strategic plan for the development of the municipality which-

- Links integrates and coordinates plans and takes into account proposals for the development of the municipality;
- Aligns the resources and capacity of the municipality with the implementation of the plan;
- Complies with the provisions of this Chapter; and
- Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

With respect to the core components of the IDP, chapter 5, section 26 of the MSA provides that an IDP must reflect-

- The municipal council's vision for the long term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs An assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;
- The council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- The council's development strategies which must be aligned with any national and provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- A spatial development framework which must include the provision of basic guidelines for land use management system for the municipality;
- The council's operational strategies;
- Applicable disaster management plans;
- A financial plan, which must include a budget projection for at least the next three years; and

The key performance indicators and performance targets determined in terms of section 41.

In Section 27, the MSA stipulates further that-

Each district municipality, within a prescribed period after the start of its elected terms, and after following a consultative process with the local municipalities within its area, must adopt a framework for integrated development planning in the area as a whole;
A framework referred to in above binds both the district municipality and the local municipalities in the area of the district municipalities;
The framework must ensure proper consultation, co-ordination and alignment of the IDP Process of the district municipality and the various local municipalities

Section 28 of the MSA stipulate as follows:-

Section 28 of the Municipal Systems Act stipulates that
(1) each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, draft, adoption and review of its integrated development plan.

(2) The municipality must through appropriate mechanisms, processes and procedure established in terms of chapter4, consult the local community before adopting the process.

(3) A municipality must give notice to the local community of particulars of the process it intends to follow.

The Municipal Systems Act, No 32 of 2000 (MSA) and the Municipal Finance Management Act, No 56 of 2003 (MFMA) regulate the preparation of the IDP and budget processes. As a legislative requirement, the IDP supersedes all other plans that guide development at local level. The MSA and MFMA confer the responsibility to provide political guidance over the IDP and Budget Formulation process on the Mayor.

In section 34, the MSA provides that a municipal council:

Must review its IDP annually in accordance with an assessment of its performance measurements, and to the extent that changing circumstances so demand; and
May amend its integrated development plan in accordance with a prescribed process.

1.3 Alignment between IDP, Budget and PMS

In terms of the Municipal Systems Act, municipalities are required to prepare organisational performance management system (OPMS) that is linked to the IDP.
KSD is currently has no OPMS which needs to be incorporated into this IDP.
The Process Plan will also include the preparation and drafting of OPMS.

The PMS process will address the following issues:

- Alignment of the PMS, Budget and IDP processes;
- Implementation of individual performance management system at managerial level.

The IDP, OPMS and budget are all components of one overall development planning and management system. The IDP sets out what the municipality aims to accomplish, and how it will do this. The PMS enables the municipality to check the extent to which it is achieving its aims. The budget provides the resources that the municipality will use to achieve its aims.

1.4 The Purpose of the IDP Process Plan

KSD needs to plan, direct and manage its capacity, and resources to support the successful implementation of its integrated development planning, and the budget formulation processes. The reality of limited capacity and resources in KSD demands innovation and the need for greater cooperation between various spheres of government. The KSD Process Plan is therefore intended to describe how the municipality will prepare and implement the integrated development planning and budgeting process. To the extent that the process plan has a bearing on resources allocation, it therefore has implications for both the current, as well as future IDP.

The Process Plan is therefore meant to ensure proper management of the planning process through the following:

Setting the scene to manage the planning process and legal requirements in planning for the implementation of the integrated planning system;
A programme specifying time schedule that guide IDP and budget planning processes and various planning steps;

Outlining appropriate mechanisms, processes and procedures on how the public, stakeholders, state organs can participate in the drafting of the IDP and formulation of the budget structures that will be used to ensure this participation
Indicate necessary organisational arrangements to ensure the successful implementation of the integrated development planning process;
Binding plans and planning requirements, i.e. policy and legislation;
Mechanisms and procedures for vertical and horizontal alignment;
A programme specifying how the processes will be monitored in order to manage the progress of the IDP and budget processes.

1.5 The IDP Review and Annual budget

The Annual Budget and the IDP are inextricably linked to one another, and has been formalised through the promulgation of the MFMA. In Chapter 4 and Section 21 (1) of the MFMA directs that, the Mayor of a municipality must, at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for:

- The preparation, tabling and approval of the annual budget;
- The annual review of the IDP in terms of section 34 of the MSA, and the budget related policies;
- The tabling and adoption of any amendments to the IDP and the budget-related policies; and
- The consultative processes forming part of the processes referred to in above.

This document therefore considers or constitutes the Process Plan of the IDP Review 2016/17 and Budget formulation for the KSD Local Municipality. It essentially fulfils the function of both a business, and operational plan for the IDP and Budget Formulation processes. It presents, in a simple and transparent manner, what should happen when, by whom, with whom and where during the process of formulating an IDP for the KSD Local Municipality.

2 IDP DEVELOPMENT PROCESS

2.1 Framework Underpinning the IDP Process Plan

In addition to the legislative imperatives, the Ten Priorities of the 2009-2014 Medium Term Strategic Framework (MTSF) as well as the "Ten Point Plan for Local Government" which were presented to Cabinet at the January 2010 Lekgotla will inform the IDP Review and Budget Formulation processes. The Ten Point Plan seeks to reinforce and support the implementation of the Local Government Turn-Around Strategies (LGTAS).

The Ten Point Plan comprises the following ten Local Government Outcomes:

- Improve the quantity and quality of municipal basic services to the people in the areas of access to water, sanitation, electricity, waste management, roads and disaster management;

- Enhance the municipal contribution to job creation and sustainable livelihoods through LED. Ensure the development and adoption of reliable and credible IDP's;
- Deepen democracy through a refined Ward Committee model;
- Build and strengthen the administrative, institutional and financial capabilities of municipalities;
- Create a single window of coordination for support, monitoring and in municipalities;
- Uproot fraud, corruption, nepotism and all forms of maladministration affecting local government;
- Develop a coherent and cohesive system of governance and more equitable intergovernmental fiscal system; and
- Develop and strengthen a politically and administratively stable system of municipalities. Restore the institutional integrity of municipalities.

2.2 Binding Legislation & Plans

PLANNING FRAMEWORK	IMPLICATIONS FOR IDP/ ALIGNMENT ISSUES
National Spatial Development Perspective	Potential index for OR Tambo indicates that the following spatial development categories are applicable • Agriculture (spread throughout the District) • Tourism(mainly concentrated in the wild coast areas) • Innovation and experimentation (untapped resource potential) • Public service and administration
Provincial Growth and Development Plan	• The systematically eradication of poverty • Transformation of Agrarian Reform • Developing and diversifying our manufacturing and tourism sector • Building human resource capabilities • Infrastructure including eradication of backlogs and the development of enabling infrastructure for economic growth and development • Public sector and institutional transformation
Medium Term Strategy Framework	• Consider MTSF priorities when developing strategies and priority programmes • 10 priorities which government work must be centred around • 12 Outcomes through which government performance will be monitored
Municipal Turn Around Strategy	District and Local Municipalities to integrate the targets and municipal action plans identified in the MTAS to IDP and hence Service Delivery Budget & Implementation Plan (SDBIP)

District Programme of Action	District and Local Municipalities to integrate the targets set DPOA and align their implementation targets to those agreed upon
IDP credibility Framework	Consider inputs and recommendations made during the IDP engagement sessions
MECs comments	• Consider recommendations made by the MEC – through the IDP analysis process • All municipalities attend to the issues highlighted in the IDP analysis report
5 Year LG Strategic Agenda 2006-2011	• Programme identification, analysis, planning and prioritization according to the 5KPAs
District Growth and development Plan Summit agreements	• Consider commitments and targets agreed upon by stakeholders in the DGDS agreements • Incorporate these in prioritization and development of implementation plans
KSD 2030 Vision (Master-plan)	• Incorporate and align strategies, programmes and projects contained in the Master-plan into the IDP

2.3 Addressing Comments on the Current IDP Review

The review will incorporate responses to the comments received from the MEC for Local Government and Traditional Affairs (CoGTA), as well as the IDP and Budget Hearings for the 2016/17 IDP. Remarks by the Auditor General will also receive priority attention under the list of key issues for the 2016/17.

2.4 Key Activities to Accomplish Outputs

The following is a summary of the key activities to be undertaken as part of the IDP review and budget formulation process.

2.4.1 Incorporation of Inputs from other Role Players

In developing the IDP for the remaining term of the current Council, the Municipality needs to assess the extent of impact that the IDP implementation has had on the achievement of development priorities. This includes reviewing the projects and programme since 2006, including those initiated, or sponsored by different role-players within and outside of the municipal area.

2.4.2 Review of Progress with Lessons for the Future

The starting point in understanding the current developmental situation is the review of the relevance, or fit of the strategies employed to achieve the set goals. Secondly, extent of implementation with regard to projects, programmes and services against IDP plans for the

previous years must be determined. The bulk of this information will be sourced from secondary data (including previous annual reports).

The review of the organisational performance for the 2016/17 financial year will also provide an opportunity to review progress for the purposes of the IDP review. This process requires the integration of the annual report preparation, as well as service audit processes. In addition to raw data, it is suggested a mechanism should be created which would allow the various directorates to provide remarks on lessons learned, and the implications such have for the future IDPs and budgets. The expect output of the above processes will be a comprehensive report on the state of development within the municipal area, as well as the organisational performance and service delivery audit which should be tabled for Council adoption.

2.4.3 Core elements of the IDP preparation

The core elements of the IDP preparation correspond to the core functions of the municipalities as outlined in the MSA and other legislations. The core components of the IDP include:

- The municipal council's vision for the long term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;
- An assessment of the existing level of development in the municipality, which must include the identification of communities which do not have access to basic municipal services;
  The council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- The council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- A spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;
- The council's operational strategies;
- Applicable disaster management plans;
- A financial plan, which must include a budget projection for at least the next three years; and
- The key performance indicators and performance targets determined in terms of section 41 of Municipal Systems Act.

2.4.4 Inclusion of New Information Where Necessary

Where necessary, the IDP and Budget must incorporate new areas that were left in the previous reviews. Among others, these may include:

- Alignment of the IDP with newly completed KSD policies and plans;
- Review of the strategic plan and municipal scorecard component of the IDP;
- The on-going alignment of the KSD Performance Management System (PMS), in terms of Chapter 6 of the MSA, with the IDP;
- The update of the Financial Plan, the list of projects (both internal and external), and the capital investment framework;
- Incorporate final Ward Projects in term of Medium Term Revenue and Expenditure Framework (MTREF); and
- The updating of the Ward Needs Register

3. HORIZONTAL AND VERTICAL ALIGNMENT

3.1 OR Tambo District Municipality Framework Plan

In terms of Chapter 5 and Section 26 of the MSA, districts are required to prepare and adopt a Framework Plan, which indicates how the district and Local Municipalities will align their IDPs. The Framework Plan provides the linkage and binding relationships to be established between the district and local municipalities in the district and in doing so, proper consultation, coordination and alignment of the review process of the district municipality and various local municipalities can be maintained.

KSD municipality has developed a **Process Plan** which is informed by the Framework Plan of the District municipality in order to ensure alignment between the IDP of KSD Municipality and the District. The alignment between the two IDPs is especially important because of the ORTDM's role as a Water and Sanitation Authority (WSA).

3.2 Alignment with Plans of other Municipal Stakeholders & Inter-municipal relations

Alignment with stakeholders is essential in order that both the ORTDM and KSD's priorities are reflected in their project prioritisation process, and reflective of IDP projects. It is proposed that a special IDP and Budget Alignment Workshop should be convened specifically for the purposes of effecting the alignment of the different stakeholders' programmes. The Mayoral Committee and the Executive Management Committee should ideally lead the proposed workshop. The Executive should through the Intergovernmental Relations as underpinned in the Intergovernmental Relations convene meetings with the neighbouring municipalities to share identical challenges or achievements and successes.

3.3 Intergovernmental Relations

In terms of Intergovernmental Relations No 13 of 2005, KSD Municipality has established an IGR Forum and it was launched by the Executive Mayor. The IGR is surely seat four times a year.

3.3.1 Objectives of the KSD IGR Forum

The main objective of the KSD IGR Forum is to enhance integrated development and consider priorities for the entire municipality. Additional objectives include the following:

- Development of a Local Programme of Action in relation to the National, Provincial and District programmes,
- To facilitate the coordination and integration of provincial and municipal strategic planning and to put in place mechanisms and procedures that will ensure that both the district and provincial strategic planning inform and are informed by the IDP of the KSD LM,
- To consult on policy issues that materially affects Local Government,

- To develop and provide mechanisms to engage provincial government, the Office of the Premier and DLGTA on IGR related matters and/or challenges,
- To consider such other matters of mutual interest as either party may place on the agenda of a meeting from time to time,
- To promote economic growth and development through trade, investment and tourism,
- To share knowledge and expertise in local governance generally or in agreed functional areas,
- The objectives of the KSD LM IGR Forum will be informed by the overarching strategic priorities for the current term of Local Government.

THE GOAL OF THE KSD IGR FORUM IS TO ENSURE THAT THE DECISIONS REACHED ARE IMPLEMENTED BY:

- Sharing of information on and understanding of the respective programmes of all stakeholders,
- A clearer understanding of mutual strategic priorities and how these complement each other,and
- A commitment to collaborate, engage continually and share information on policy implementation, success stories and co-ordinate activities.

3.3.2 Role of KSD Local Municipality IGR Forum

The KSD IGR Forum is a consultative forum for KSD to discuss and consult with stakeholders on matters of mutual interest, including:

- Draft national, provincial and district policies and legislations relating to matters affecting local government interests in KSD Local Municipality;

The implementation of national, provincial and district policies and legislations with respect to s uch matters in KSD Local Municipality. The Provincial MuniMEC and the Premier's Coordinating Forum affecting KSD Local Municipality.It will also be of

Mutual support in terms of the section 88 of Local Government Municipal structures Act 117 of 1998.

IN SUMMARY

- The provision of services in KSD LM as well as the performance of the KSD Local Municipality in the provision of services in order to detect failures and to initiate supportive, preventive or corrective action when necessary;
- Coherent planning and development in KSD Local Municipality. and
- The coordination and alignment of the strategic and performance plans and priorities, objectives and strategies between the KSD Local Municipality, District Municipality and the Province; and any other matters of strategic importance which affects the interests of KSD LM.

3 ESTABLISHMENT PROCESS

The Executive Committee, or Executive Mayor, or Committee of appointed Councilors should, in consultation and with support of the Municipal Manager:

- Define terms of reference for the IDP manager and steering committee
- Ensure that IDP manager is taking into consideration the importance of the IDP;
- Assign responsibilities to the municipal manager regarding the drafting of the IDP;
- Identify and nominate suitable candidates for the IDP steering committee ensuring that all relevant issues (e.g. LED, Spatial, Housing, Finance, etc.) have at least one responsible Senior Official; and

- Include portfolio councillors where applicable

If there is no IDP Manager, the Municipal Manager must decide on:

- Powers and functions to be delegated
- Responsibility remaining with municipal manger/ accountability and
- Reporting mechanisms.

IDP Steering committee will if deemed necessary to:

- Establish subcommittees and decide on relationship/reporting mechanisms and
- Appoint the secretariat.

3.1 Roles and Responsibilities of the Executive Mayor

In terms of section 30 of the Municipal Systems Act, 2000, the executive committee or executive mayor of a municipality or, if the municipality does not have an executive committee or executive mayor, a committee of appointed councillors, must:

- Manage the drafting of the IDP;
- Assign responsibilities in this regard to the municipal manager; and
- Submit the draft plan to the municipal council for adoption.

These are structures already established and required by the Structures Act. The committee of councillors appointed by the municipal council (n the plenary type) in terms of Section 30 of the Systems Act is a specific structure established for purposes of the IDP. It is recommended that the responsibility for managing the drafting of the IDP be assigned to the Municipal Manager or IDP manager on his behalf.

3.2 The Role of the Municipality

- Prepare, decide on and adopt a **process plan**
- Undertake the overall management and co-ordination of the planning process, which includes ensuring that:
  - All relevant stakeholders are appropriately involved;
  - Appropriate mechanisms and procedures for public consultation and participate are applied
  - The planning events are undertaken in accordance with the set time
  - The planning process is related to the key development priorities in the municipality; and
  - National and provincial sector planning requirements are satisfied.
- Adopt and approve the IDP;
- Amend the IDP in accordance with the requirements of the MEC for Local Government;
- Ensure that the annual operational business plans and budget are linked to and based on the IDP;

3.3 The Role of the Municipal Manager

The Municipal Manager or IDP Manager on his behalf, is the responsible person for championing the IDP process. The selection of the appropriate person is crucial for the success of Integrated Development Planning and has to be done as the first step towards preparing the **Process Plan,** since the IDP manger is also the responsible person for designing the **Process Plan.**

The IDP Manager should be a dedicated person that has the required experience and authority to involve all relevant roles players, and will have the following responsibilities:

- The preparation of the process plan,
- The day to day management of the planning process in terms of time resources and people, and ensuring:
  - The involvement of all relevant role players, especially officials;
  - That the time frames are being adhered to;
  - That the planning process is horizontally and vertically aligned and complies with National and Provincial requirements
  - That conditions for participation are provided and
  - That outcome is being documented.

- Chairing the steering committee
- Management of consultants

3.4 IDP, Budget and PMS Technical Committee

Chaired by:

General Manager: Mayor's Office/ IDP Manager / (CFO where applicable)

Secretariat:-

IDP Unit

3.4.1 Composition

- Director: Rural & Economic Development
- Chief Financial Officer
- Director: Infrastructure
- Director Human Settlement
- Director: Corporate Services
- Director: Community Services
- Director: Public (Community) Safety
- General Managers and Middle Management
- Appointed Professional team

3.5 Roles and responsibilities of the IDP, Budget and PMS Technical Committee

As the persons in charge for implementing IDP's, the technical/ sector officers must be fully involved in the planning process to:-

- Provide methodological assistance on the development of IDP Process Plan

- Manage and monitor the IDP, Budget and PMS from development of IDP, Budget and PMS Process plan until the final approval of IDP, Budget and PMS
- Provide relevant technical, sector and financial information for analysis for determining priority issues.
- Contribute technical expertise in the consideration and finalisation of strategies and identification of projects.
- Provide departmental operational and capital budgetary information.
- Be responsible for the preparation of project proposals, the integration of projects and sector programmes.
- Be responsible for preparing amendments to the draft IDP for submission to the municipal council for approval and the MEC for local government.

3.6 IDP Steering Committee

A steering committee for K.S.D. Municipality in order master the integration and ensure horizontal and vertical alignment has to be formally established and composed as follows:-

Chaired by:

The Municipal Manager: Mr. M. Zenzile

Secretariat:-

Appointed professional team/ IDP Unit (where applicable)

3.6.1 Composition

a) ***Heads of Departments (KSD Municipality)***

- Director: Rural & Economic Development
- Chief Financial Officer
- Director: Infrastructure
- Director Human Settlement
- Director: Corporate Services
- Director: Community Services
- Director: Public (Community) Safety
- General Managers
- Middle Managers
- Senior Officers

b) ***Other senior officials (permanent on ad hoc basis): KSD Municipality***

General Managers and Middle Management

c) ***IDP Manager***

d) ***Government departments***

- Senior Managers from National and Provincial Departments, OR Tambo District Municipality, sister municipalities and Parastatals
- Sector Specialists (Heads of all sector departments)

3.6.2 The IDP Steering will be responsible for the following:

- Responsible for the establishment of the IDP Representative Forum and defining terms of reference and criteria for members of the IDP representative forum;
- Informing the public about establishment of IDP representative forum and request submission of applications from stakeholders/ community groups indicating Goals, Objectives, Constitution and number of members;
- As the driver of the IDP Process should be attending all Steering Committee and Representative Forum Meetings
- Provide terms of reference for subcommittees and the various planning activities and also provide sector expertise.
- Commission research studies
- Consider comment on:
  - Inputs from subcommittee(s) study teams and consultants; and
  - Inputs from provision sector departments and support , such as, sister Municipalities in and with District Municipality,
- Process, summarise and draft outputs.
- Make recommendations
- Prepare, facilitate and minute meetings. Prepare and submit reports to the IDP representative forum.

The IDP Steering committee may establish subcommittees for specific activities and outputs which may include additional person outside the Steering committee.

An official of the municipality should be appointed to prepare, facilitate and document meeting. The function should be the responsibility of the IDP/ Budget official or similar official.

For the logistics of workshops, dissemination of information and invitations, the responsible official should be supported by Clerk of Council.

3.7 IDP Representative (Rep.) Forum

The IDP Representative forum is the structure which institutionalises and guarantees representative participation in the IDP process. The selection of members to the IDP representative forum has to be based on criteria which ensure geographical and social representation.

3.7.1 The composition of the IDP Representative forum:

- **Chairperson-**

  Executive Mayor or a Member of the committee of appointed councillors

  Secretariat-
  IDP steering committee (Municipal Manager / IDP Manager/ Appointed Professional Team)

- **Members**:
  - All Steering Committee Members,

- Members of the executive committee/mayoral committee/committee of appointed councillors,
- Councillors (including councillors who are members of the district council and relevant portfolio councillors)
- Traditional leaders;
- Ward committee secretaries,
- Heads of Department/Senior Officials (internal);
- OR Tambo District Municipality,
- National and Provincial Government departments,
- Organised Business and Labour,
- Stakeholders' representatives of organised groups (NGOs, CBOs, etc.)
- Resource persons; and
- Relevant Community representatives.

3.7.2 The IDP Representative forum Code of Conduct

The code of conduct will at least include the following:-

- Meeting schedule (frequency and attendance);
- Agenda, facilitation and documentation of meeting,
- Purpose of the forum,
- Regular feedback to constituents,
- Required majority for approval,
- Quorum requirements; and
- Resolution of disputes(including Provincial assistance)
- Proposed Co-ordination Process.

The preparation, organisation and facilitation and documentation of meetings and workshops of the IDP Representative Forum may need to be supported by IDP office.

Support providers and Planning Professionals (if necessary)

Support providers and professionals such as consultants, NGO's, and Municipal Planning Officials have the following roles and responsibilities:-

- Providing methodological/technical guidance in terms of the IDP process
- Facilitation of planning workshops
- Special studies or other product relevant contribution
- Support to organised and unorganised groups and communities to more effectively engage in and contribute to the planning process and
- Ensuring that the IDP is aligned with budget and planning requirements of Provincial and National departments.

4 PUBLIC PARTICIPATION AND COMMUNITY

The structure composition and positions may vary between different categories and types of Communities or wards to suit the available human and institutional resources, but the proposed generic arrangement are recommended as a minimum requirement, and are based on the following:-

- Public participation has to be institutionalised to ensure that all residents have an equal; right to participate, in the case of KSD Municipality, these will be run through Ward to Ward IDP/Budget Outreach Programmes and Public hearings or Road shows;

- Structure participation will specify who is to participate on behalf of whom, on which issues, through which organisational mechanisms and to what effect.

In is worth noting that Public participation is not equally relevant and appropriate in each stage of planning, and not all participation procedures are equally suitable for each planning step. To limit participation costs, to avoid participation fatigue, and to optimise the impact of participation, the mechanisms of participation will have to differ from stage to stage.

5 COMMUNITY (WARD) BASED PLANNING

A fundamental and statutory component of the IDP process is community engagement and the public participation. Participation in the integrated development planning process is only one of the several arenas of participatory interaction between local government and citizens.

The municipality strives to improve the participation of stakeholders in the IDP and Budget processes. In this review, the municipality intends to employ a number of innovative measures, which are aimed at enhancing the effectiveness and quality of stakeholder participation. Pursuant to this endeavour, the municipality has rolled out in earnest, the Community-Based Planning process with the purpose of compiling community ward profile for the whole Municipality.

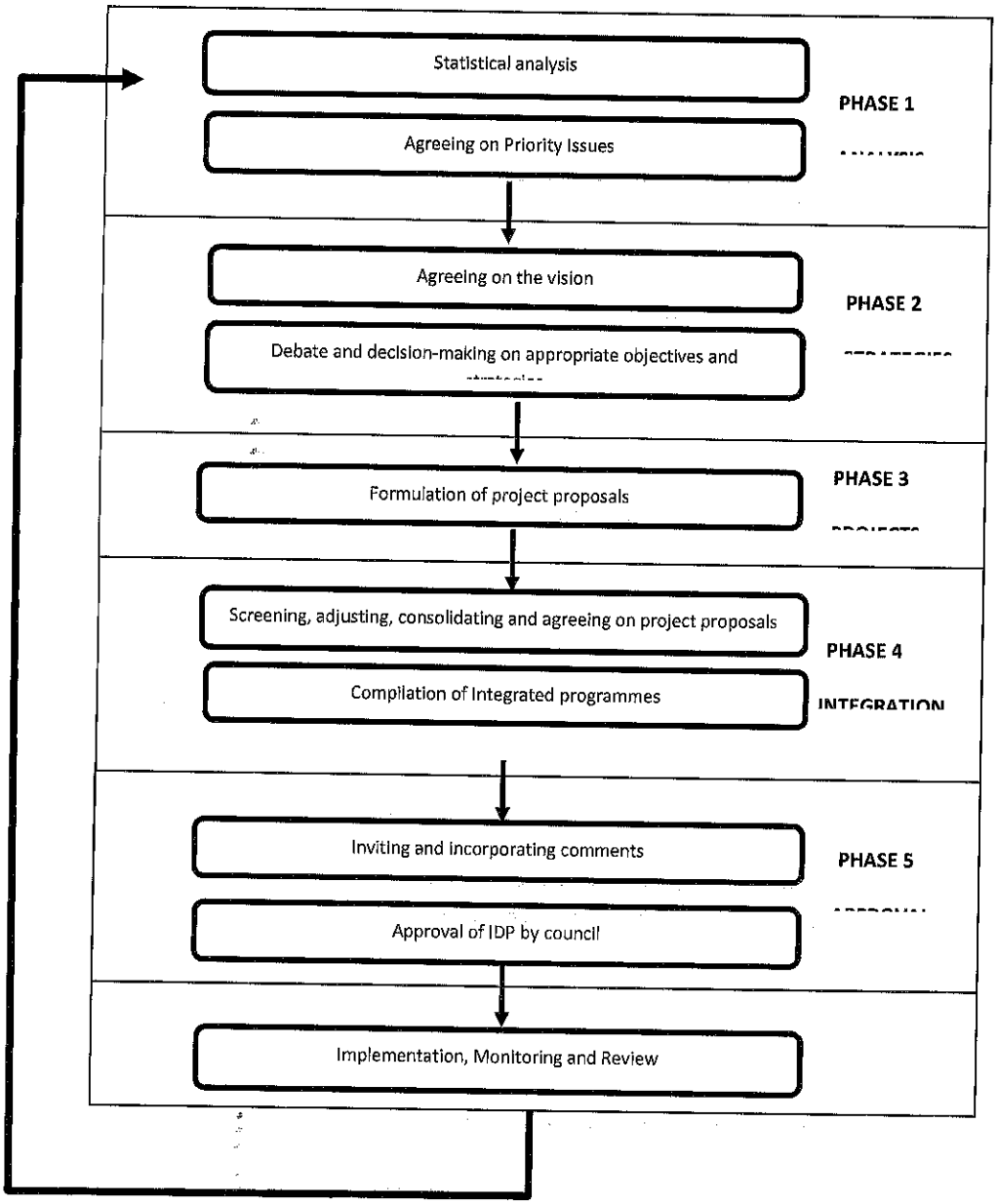
CBP as a form of participation in the development of KSD IDP is seen within the context that it must be people-focused and empowering, led and owned by Ward Councillors and ward committee members, based on vision and strengths of the ward, and should be holistic and promote mutual accountability between elected public representatives, community and municipal administration. Through CBP, communities and stakeholders highlight and/or confirm their development priorities that should be included in the IDP in the form of projects, services and programmes.

KSD Municipality has piloted ward based planning with the aim of developing ward based Plans which will feed onto the IDP. This exercise also assists in the creation of ward data profile. The statistical data of each ward and capturing of key priority issues has been conducted as the basis for Ward Based Plans

KSD Municipality in planning for its wards has conducted a study at ward level in order to get the population number of residents and current situation for each ward. Each ward had to engage its ward committees to assist in data collection, however, some wards could not provide ward committees, particularly at Mqanduli which is composed of the following wards 21,22,23,24,25,26,27,28 and 29 to get data for their respective areas.

In order to get the data from the aforementioned wards, the municipality used its officials being assisted by the Department of Local Government and Traditional Affairs in the Eastern Cape Province.

6 PHASES OF THE IDP



7 INSTITUTIONAL ARRANGEMENTS

The elected council is the ultimate decision – making forum on IDP's. The role of participatory democracy is to inform, negotiate on those decisions in the course of the planning process.

The following positions and structures are recommended and will serve as a guide:

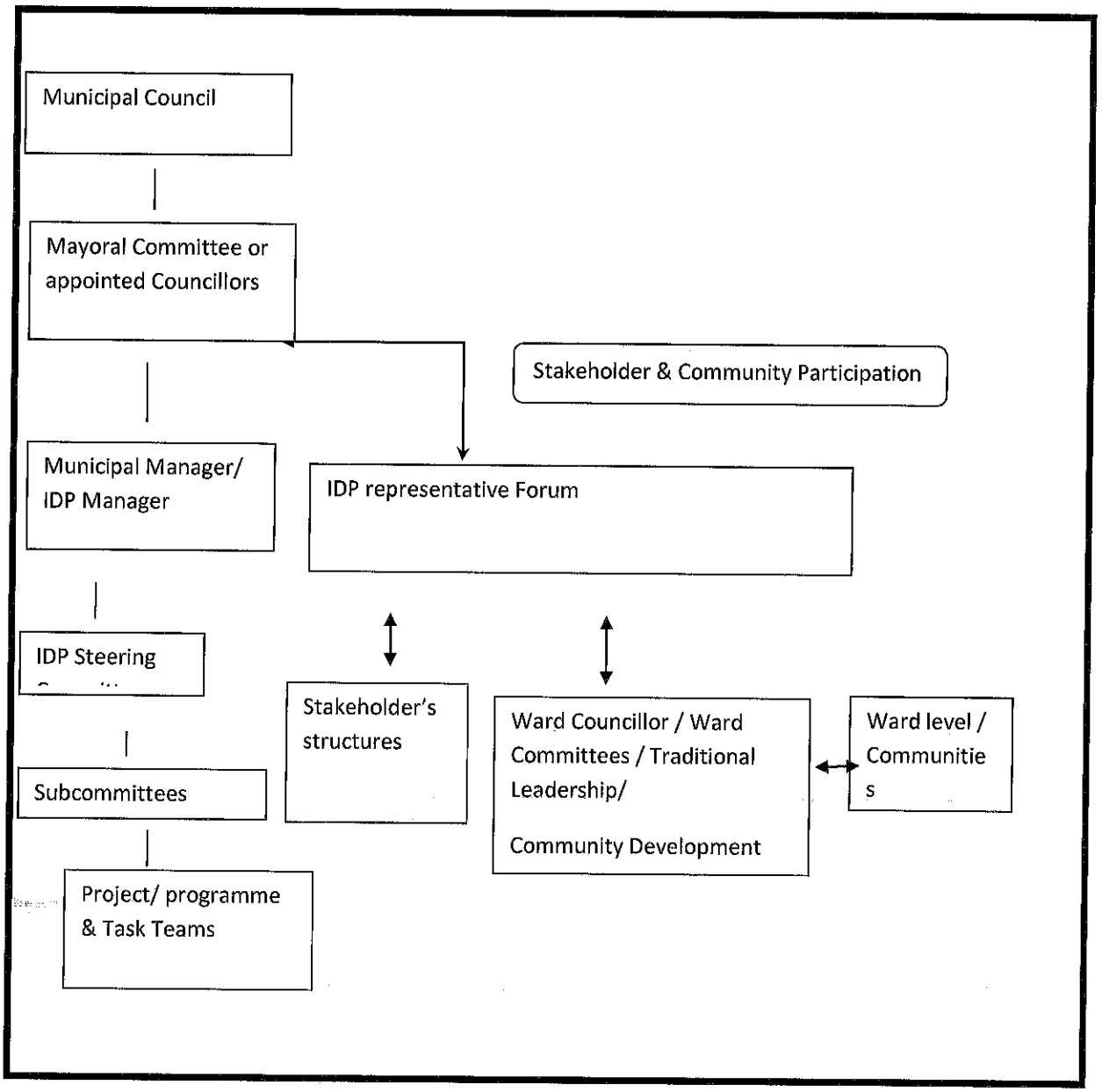
- Municipal manger or IDP Manager,
- IDP, Budget and PMS Technical Committee,

- IDP, Budget and PMS steering committee
- IDP Representative forum,
- Project, Programme and sectoral task teams and
- IDP Working Team |(subcommittees)

The IDP Technical Committee, IDP steering committee and IDP representative forum are structures required throughout the IDP process. The project, programme and sectoral task teams will be small operational teams composed of a number of relevant municipal sector departments and technical officials involved in the management of the implementation and, where appropriate, community stakeholders directly affected by the project and programme.

6.1 Proposed IDP Structure

The following is a proposed IDP, Budget and PMS structure that guide the process:-



7 IDP / BUDGET AND PMS 2017-22 REVIEW

ACTIVITY		DATE	ACTUAL DATE
JULY 2017			
Review of Rollovers to be included in the 2016/17 Budget	Section 21 of the MFMA 56 of 2003:Budget Preparation Process read with Section 28 (1) of the Municipal Systems Act, 32 of 2000	01-15 July 2017	
Alignment of draft process plan and draft IDP process framework with O R Tambo district municipality		22-23 July 2017	
Compilation of Budget Evaluation Checklist for 2016/17		29 July 2017	
Develop draft process and timetable for the 2017/18 Budget		21-22 July 2017	
IDP, Budget and PMS Technical Committee/ MANCOM to discuss Draft process plan		25 July 2017	
AUGUST 2017			
IDP /Budget Technical/ Steering Committee – to submit process plan for discussion	Section 21 of the MFMA 56 of 2003:Budget Preparation Process read with Section 28 (1) of the Municipal Systems Act, 32 of 2000	19 August 2017	
IDP Representative forum meeting- presentation of draft IDP ,budget and PMS process plan		23 August 2017	

Council consider IDP, Budget and PMS Process Plan 2017-18 for adoption		31 August 2017	
2017/18 Financial Statements submitted to Auditor-General		31 August 2017	
SEPTEMBER 2017 (IDP MONTH)			
	Section 21 of the MFMA 56 of 2003:Budget Preparation Process read with Section 28 (1) of the Municipal Systems Act, 32 of 2000		
Replication of ward based planning to all wards (desktop session-in-house)		03- 07 September 2017	
IDP Awareness Campaign and Budgeting Process	Section 21 of the MFMA 56 of 2003:Budget Preparation Process read with Section 28 (1) of the Municipal Systems Act, 32 of 2000	03-20 September 2017	
REVIEW OF WARD BASED PROFILES		09-28 September 2017	
IDP/Budget Framework Workshop		08 Sept 2017	
Submission of Personnel Request Forms		15 - 30 Sept 2017	
IDP, Budget and PMS Process Plan steering committee- unpack and review situational gap analysis		16 September 2017	

OCTOBER 2017			
HR and Budget collate Personnel Request Forms and analyze results through staff keys book	Section 21 of the MFMA 56 of 2003:Budget Preparation Process	03 – 21 Oct 2017	Director Corporate Services, CFO,GM Budget and Accounting and GM: Human Resources
Analyze results of personnel expenditure and communicate to Directorates	Section 21 of the MFMA 56 of 2003 : Budget Preparation Process	22 -31 Oct 2017	Director Corporate Services, CFO GM Budget and Accounting and GM Human Resources
Ward to Ward IDP, Budget and PMS Outreach Programme – Needs Analysis and prioritisation	Section 16 of Local Government: Municipal Systems Act,No.32 of 2000 states that Municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance ,and must for this purpose (a) encourage ,and create conditions for, the local community to participate in the affairs of the municipality ,including in- (i)the preparation ,implement and review of its integrated development plan in terms of chapter 5 Section 21 of the MFMA 56 OF 2003: budget preparation process	03 October - 28 October 2017	Executive Mayor & Members of the Mayoral Committee

IDP Representative Forum to present Draft situational analysis report	Section 16 of Local Government: Municipal Systems Act,No.32 of 2000 states that Municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance ,and must for this purpose (a) encourage ,and create conditions for, the local community to participate in the affairs of the municipality ,including in- (i)the preparation ,implement and review of its integrated development plan in terms of chapter 5 Section 21 of the MFMA 56 OF 2003: budget preparation process	26 October 2017	Executive Mayor/ Professional team
Steering Committee – Presentation and discussions on the performance reports of the 1st quarter continue with the situational analysis	Section 55 (1)of Local Municipality: Municipal Systems Act,No.32 of 2000 states that As head of administration the municipal manager of a municipality is, subject to the policy directions of the municipal council ,responsible and accountable for-(ii) equipped to carry out the task of implementing the municipality 's integrated development plan in accordance with chapter 5. (c) the implement of the municipality's integrated development plan, and monitoring of progress with implementation of the plan	20 October 2017	Municipal manager, All Directors

IDP Representative forum – presentation of the situational analysis and workshop on key issues and strategies and objectives.	Section 16 of Local Government: Municipal Systems Act,No.32 of 2000 states that Municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance ,and must for this purpose (a) encourage ,and create conditions for, the local community to participate in the affairs of the municipality ,including in- (i)the preparation ,implement and review of its integrated development plan in terms of chapter 5 Section 21 of the MFMA 56 OF 2003: budget preparation process	16 November 2017	Executive Mayor
Submission of Performance reports and performance information of the first quarter to Council	Section 55 (1)of Local Municipality: Municipal Systems Act,No.32 of 2000 states that As head of administration the municipal manager of a municipality is, subject to the policy directions of the municipal council ,responsible and accountable for-(ii) equipped to carry out the task of implementing the municipality 's integrated development plan in accordance with chapter 5. (c) the implement of the municipality's integrated development plan, and monitoring of progress with implementation of the plan	31 October 2017	Executive Mayor and Municipal Manager

Submission of D-Form to NERSA	Section 43 of the MFMA: Applicability of Tax and Tariff capping on Municipalities	30 October 2017	GM: Budget and Accounting ,CFO and Electrical Engineer
IDP, Budget and PMS Steering Committee – Presentation and discussion on: • Development of Strategies and Objectives • Project identification	Section 55 (1)of Local Municipality: Municipal Systems Act,No.32 of 2000 states that As head of administration the municipal manager of a municipality is, subject to the policy directions of the municipal council ,responsible and accountable for-(ii) equipped to carry out the task of implementing the municipality 's integrated development plan in accordance with chapter 5. (c) the implement of the municipality's integrated development plan, and monitoring of progress with implementation of the plan	28 -31 October 2017	Municipal Manager, All Directors

NOVEMBER 2017				
1.	Submission of Budget Request Forms General Expenses-Capital outlay ,Capital Budget ,Operating Projects and Review of Tariffs	Section 21 of the MFMA 56 of 2003 Budget Preparation Process	04-21 November 2017	Municipal Manager, All Directorates
2.	Check with National, Provincial Governments and District Municipalities for any information in relation to budget and adjustment budget to projected allocations for the next three years.		07-30 November 2017	GM: Accounting and Budget /CFO
3.	CFO to collate budgets and analyze results		25 -29 November 2017	GM: Accounting and Budget /CFO
4.	Discuss Draft audit report from the Auditor-General for the 2015/2016 financial statements		11 -29 November 2017	GM: Accounting and Budget /CFO
5.	Review of Budget Related Policies	Section 21 of the MFMA 56 of 2003:Budget Preparation Process	28 November 2017	GM: Accounting and Budget /CFO
6.	Representative Forum Meeting – Presentation of Strategies and Objections and Identification of Projects	Section 16 of Local Government: Municipal Systems Act,No.32 of 2000 states that Municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance ,and must for this purpose (a) encourage ,and create conditions for, the local community	28 November 2017	Executive Mayor

		to participate in the affairs of the municipality ,including in- (i)the preparation ,implement and review of its integrated development plan in terms of chapter 5 Section 21 of the MFMA 56 OF 2003: budget preparation process		

		DECEMBER 2017		
7.	Technical Committee/ MANCOM meeting to Review three year capital budget and Operating projects	Section 21 of the MFMA 56 of 2003:Budget Preparation Process	04-08 December 2017	All Directorates
8.	Steering Committee meeting – Finalize projects identification	Section 16 of Local Government: Municipal Systems Act,No.32 of 2000 states that Municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance ,and must for this purpose (a) encourage ,and create conditions for, the local community to participate in the affairs of the municipality ,including in-	08 December 2017	

		(i)the preparation ,implement and review of its integrated development plan in terms of chapter 5 Section 21 of the MFMA 56 OF 2003: budget preparation process		
JANUARY 2018				
9.	IDP Rep Forum – Finalise developmental strategies and objectives	Section 16 of Local Government: Municipal Systems Act,No.32 of 2000	11 Jan 2017	Executive Mayor
10.	Obtain any adjustments to projected allocations for the next three years from National, Provincial Governments & District Municipalities.	Section 21 of the MFMA 56 of 2003:Budget Preparation Process	16-23 Jan 2018	GM: Accounting and Budget /CFO
11.	Institutional Strategic Session – to discuss Integration and alignment of Budget, Programmes and projects	Section 41 of Local Government: Municipal systems Act No 32 of 2000 state that (1) a municipality must in terms of its performance management system and in accordance with any regulation and guidelines that may be prescribed- (a) set appropriate key performance indicators as a yardstick for meaning performance, including outcomes and impact with regard to the municipality's development priorities and objectives set out in its integrated development plan. In Terms of section 120 to provide for regulate (d) the	25-26 January 2018	Municipal Manager

		regular review by a municipality of its key performance indicators; (e) the setting of a framework for performance targets by municipalities consistent with their development priorities, objectives and strategies set out in their IDP Alignment of municipal plans with Provincial and National targets – alignment of proposed interventions with allocated budgets		
12.	Special Council Meeting – Table in to the Council an annual report, the audit report for 2015/2016, and Mid – year report 2017-18	Section 72 (1) of the MFMA: The Accounting Officer of a Municipality must by 25 January of each year assess the performance of the Municipality during the first half of the financial year. Section 121 of the MFMA: Preparation and adoption of the annual report	25 Jan 2018	Executive Mayor

FEBRUARY 2018				
13.	Budget adjustment Consultation Process begins	Section 28 of the MFMA the Municipality May revise an approved annual budget though an adjustment budget	01-06 February 2018	GM: Budgeting and Accounting
14.	IDP, Budget and PMS Technical Committee - To discuss and Finalize the Draft MTREF Budget and 1st Adjustment Budget	Section 21 of the MFMA 56 of 2003:Budget Preparation Process	09 February 2018	All Directorates
15.	IDP, Budget and PMS Steering Committee - To discuss the and Finalize the Draft MTREF Budget and 1st Adjustment Budget as well as presentation of the daft IDP	Section 21 of the MFMA 56 of 2003:Budget Preparation Process	16 February 2018	Municipal Manager
16.	MEGA Strategic Planning Session - Presentation of first draft IDP, PMS 2018/19 and Budget 2018/19-2019/20/21-21/22 to finalise integration, alignment of budgets and continue with project formulation and to present first draft IDP 2017/2018 and Draft MTERF Budget	Section 16 of Local Government: Municipal Systems Act,No.32 of 2000 states that Municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance ,and must for this purpose (a) encourage ,and create conditions for, the local community to participate in the affairs of the municipality ,including in- (i)the preparation ,implement and review of its integrated development plan in terms of chapter 5 Section 21 of the MFMA 56 OF 2003: budget preparation process	21- 23 February 2018	Executive Mayor

17.	Council to approve 1st Adjustment Budget	Section 28 of the MFMA the Municipality May revise an approved annual budget though an adjustment budget and read together with Section 72(3) The Accounting Officer must as part of the review make recommendations as to whether an adjustment budget is necessary and recommend revised projection of revenue and expenditure to the extent that this may be necessary	26 February 2018	Executive Mayor and Municipal Manager
MARCH 2018				
18.	IDP/ PMS and Budget technical committee/MANCOM -first draft IDP 2018/2019 and Draf MTERF Budget		02 March 2018	CFO/ Director: PSED
19.	IDP Steering Committee to present first draft IDP 2018/19 and Draft MTERF Budget	Section 16(2) Annual Budget: The Mayor of a Municipality must table the annual budget at a council meeting 90 days before the start of the budget year Section 43 of the MFMA	15 March 2018	Municipal Manager
20.	Approval of Electricity Tariffs by NERSA		03-31 March 2018	GM: Budget and Accounting ,CFO and Electrical Engineer
21.	Council adopts First Draft 2018-19 IDP, PMS and MTERF Budget and Budget policies for 2018/2019-2019/20-2020/21	Section 16(2) Annual Budget: The Mayor of a Municipality must table the annual	28 March 2018	Executive Mayor

		budget at a council meeting 90 days before the start of the budget year Section 43 of the MFMA		
APRIL 2018				
22.	Submit to National Treasury, Provincial Treasury and the MEC responsible for Local Government the annual report, Annual financial statements, the audit report and any corrective action taken in response to the findings of the audit report relating to 2016/2017	Regulation 15(4)a: The Municipal Manager must send copies of the annual budget and supporting documentation as tabled in the Municipal Council in both printed and electronic form	06 April 2018	GM: Budget and Accounting/CFO
23.	MTERF Budget IDP Review 2018-19 advertised for public comments, Public Meetings & Consultation	Section 22(a) after an annual budget is tabled in the municipal Council ,the Accounting Officer must make public the annual budget and documents referred to in section 17(3) and invite the local Community to submit representation in connection with the budget	10 April 2018	CFO
24.	IDP, PMS and Budget Steering Committee for the third quarter performance report	Section 55 (1)of Local Municipality: Municipal Systems Act, No. 32 of 2000 states that As head of administration the municipal manager of a municipality is, subject to the policy directions of the municipal council ,responsible and accountable for-(ii) equipped to carry out the task of implementing the municipality 's integrated development plan in accordance with chapter 5. (c) the implement of the municipality's integrated development plan, and	19 April 2018	GM: Compliance

		monitoring of progress with implementation of the plan		
25.	IDP/Budget road shows- present draft IDP, PMS Review 2018-19 and MTERF Budget to solicit comments from members of the community	Section 23(1)a when the annual budget has been tabled the Municipal council must consider views of local community	04 April – 21May 2018	Executive Mayor and All Councilors
		MAY 2018		
26.	IDP/ PMS and Budget Technical committee to discuss Public comments and the final draft IDP , PMS 2018/19 and Budget MTERF review	Section 24(1) the Municipal Council must at least 30 days before the start of the budget year consider approval of the annual budget	04 May 2018	CFO/ Director: PSED
27.	IDP/ PMS and Budget Steering committee to discuss Public comments and the final draft IDP , PMS 2018/19 and Budget MTERF Budget review	Section 24(1) the Municipal Council must at least 30 days before the start of the budget year consider approval of the annual budget	11 May 2018	Municipal Manager
28.	IDP Rep. Forum - discuss Public comments and the final draft IDP , PMS 2018-19 and MTERF Budget review	Section 24(1) the Municipal Council must at least 30 days before the start of the budget year consider approval of the annual budget	18 May 2018	Portfolio Head Finance/ Executive Mayor
29.	Council consider adoption of Final Draft IDP, PMS 2018/19 and MTERF Budget	Section 24(1) the Municipal Council must at least 30 days before the start of the budget year consider approval of the annual budget	29 May 2018	Executive Mayor

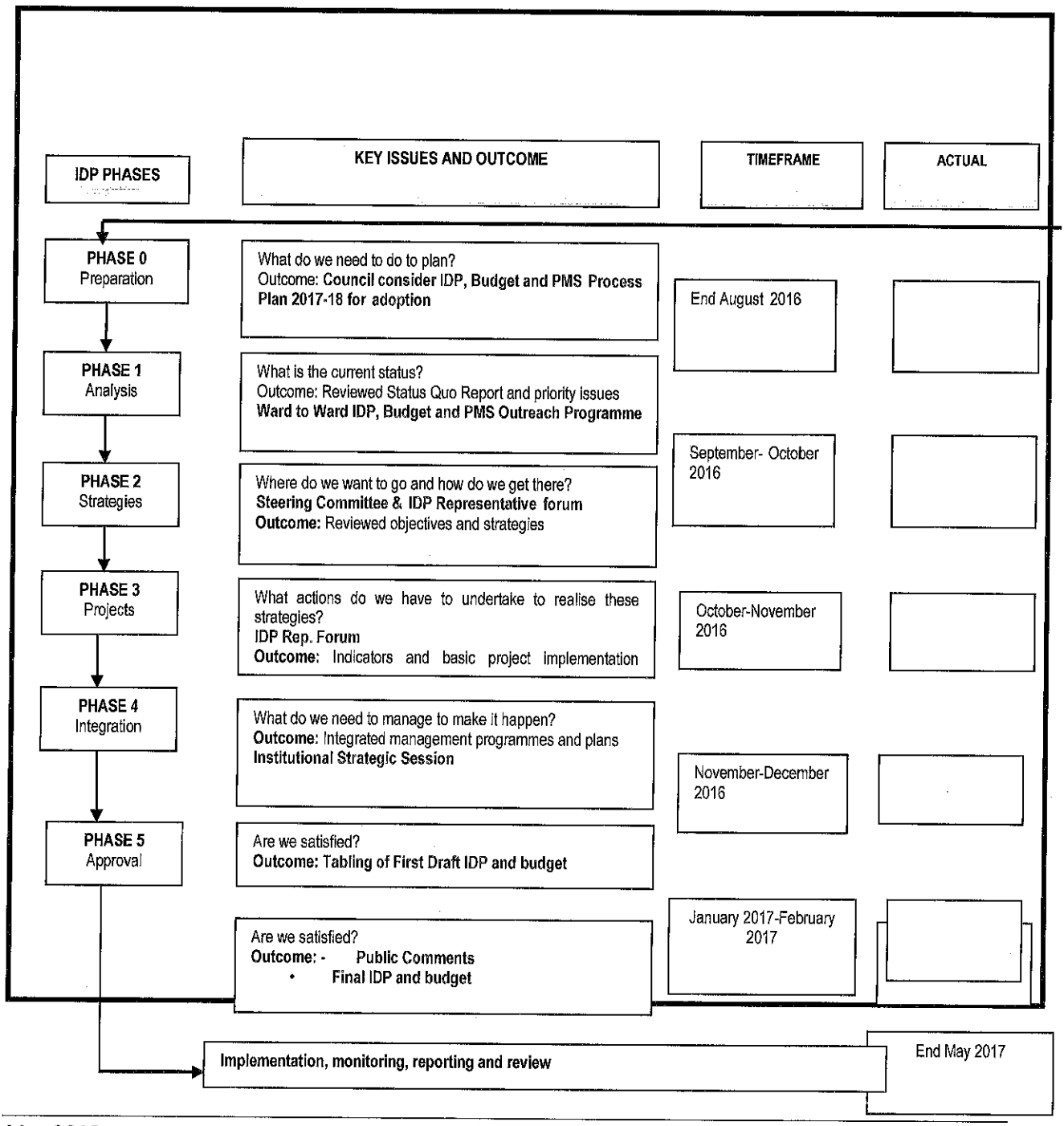
JUNE 2018				
30.	Preparation of draft Service Delivery and Budget Implementation Plan for the financial year ending June 2017	Section 41 of Local Government: Municipal systems Act No 32 of 2000 state that (1) a municipality must in terms of its performance management system and in accordance with any regulation and guidelines that may be prescribed- (a) set appropriate key performance indicators as a yardstick for meaning performance, including outcomes and impact with regard to the municipality's development priorities and objectives set out in its integrated development plan. In Terms of section 120 to provide for regulate (d) the regular review by a municipality of its key performance indicators; (e) the setting of a framework for performance targets by municipalities consistent with their development priorities, objectives and strategies set out in their IDP	07—08 June 2018	GM Compliance and All Directors

31.	MTREF Budget, Budget related policies, annual report published on Council website.	Section 75(1)(a,b)The Accounting Officer of a Municipality must place on the website referred to in section 21Aof the systems Act the following documents: Annual and Adjustment budget and all related policies	12 June 2018	GM: Accounting and Budget
32.	Annual Budget Reports to National & Provincial Treasury.	Regulation 20(1) The Municipal Manager must comply with section 24(3) of the Act within 10 working days after the council has approved the annual budget ,The Municipal Manager must submit to National Treasury and relevant provincial Treasury in both electronic and printed form	12 June 2018	GM: Accounting and Budget
33.	Preparations for strategic planning session to assess annual performance of the institution.	In terms of section 46 Local Government: Municipal Systems Act, No .32 of 2000 states that (1) a municipality must prepare for each financial year a performance report reflecting- (a) The performance of the municipality and of each external service provider during the financial year.(b) a comparison of the performance referred to in paragraph (a) with targets set for and performance in the previous year.	15-17 June 2018	GM: Compliance

34.	Submission of the final draft SDBIP's to the other spheres of government	Section 53 (3)(b) Local Government :Municipal Finance Act 56 of 2003 state that the Mayor must ensure—that the performance agreements of the municipal manager ,senior managers and any other categories of officials as may be prescribed, are made public no later than 14 days after the approval of the municipality's service delivery and budget implementation plan. Copies of such performance agreements must be submitted to the council and the MEC for local government in the province	21 June 2018	GM: Compliance
35.	Ordinary Council Meeting to note SDBIP		28 June 2018	Executive Mayor

7.1 OR Tambo District Municipality IDP, PMS & Budget Schedule of Activities for Alignment

Overview of this IDP process time frame is illustrated in the cycle below. This cycle should be used as a guide through which the process can be better managed by municipalities. The form and content of the IDP document is however subject to the discretion of each municipality. A uniform IDP Table of Contents has been requested and will be developed to be used throughout the District. This will be used as an example and does not discourage other ideas from the municipalities. Each municipality should follow the prescribed IDP process:-



2.4. Comments on the implementation of the process plan

There were some deviations from the key dates set out in the Budget Time Schedule tabled in Council. MFMA deadlines in terms of submission of reports such as midyear assessment and tabling and submission of reports were however not met.

2.5. Municipal manager's quality certificate

I Z.H Ngovela., Acting Municipal Manager of King Sabata Dalindyebo, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name Heavens Ngovela

Acting Municipal Manager of King Sabata Dalindyebo (EC 157)

Signature _____

Date 14/05/2018

ANNEXURE A PROPERTY RATES AND FIRE LEVIES

ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS AS FROM 01 JULY 2018				
	2017/2018		2018/2019	
PROPERTY PRATES AND LEVIES **Proposed increment 2015/16** General Rate				
Domestic (cents in a Rand)	0.69732	Cents in a Rand	0.73916	Cents in a Rand
Business/ Commercial (cents in a Rand)	1.39464	Cents in a Rand	1.47832	Cents in a Rand
Government/ Parastatals (State Owned) (cents in a Rand)	2.09196	Cents in a Rand	2.03269	Cents in a Rand
Agricultural (cents in a Rand)	0.17556	Cents in a Rand	0.18609	Cents in a Rand
PSI (cents in a Rand)	0.17556	Cents in a Rand	0.18609	Cents in a Rand
Public Benefit Organisation	0.17556	Cents in a Rand	0.18609	
Parking Development Rate (cents in a Rand)	0.21550	Cents in a Rand	0.22843	Cents in a Rand
Fire Levy				
Domestic - Per annum	352.71		373.87	
Business/ Commercial Per Annum	634.90		672.99	

ANNEXURE B ELECTRICTY TARIFFS

ITEM NO.		2017/2018	2017/2018
1	ELECTRICTY TARIFFS		
	Domestic Tariffs		
1	Tariff 1	141.00	150.87
1.1	**Domestic prepayment**	115.00	123.05
	(Tariff 2)		
	Indigent		
2	**COMMERCIAL CONVENTIONAL**		
2.1	Basic Charge/ month	366.26	391.899
	Energy Charge	166.73	178.4
3	COMMERCIAL PREPAYMENT		
	Energy charge/ kwh		
	Small (Tariff 3)	200.10	214.103
	Big (Tariff 4)	200.10	214.103
	INDUSTRIAL LOW		
4	≤ 100 KVA		
	Basic Charge/ month	1242.00	1328.94
	Energy Charge/ Kwh	86.93	93.0138
	Demand Charge/ KVA	264.08	282.571
	INDUSTRIAL HIGH		
	> 100 KVA		
	Basic Charge/ month	1088.29	1164.47
	Energy Charge/ Kwh	62.13	66.4758
	Demand Charge/ KVA	264.15	282.639
	A minimum of 70% will be charged on all NMD capacity per month		
4.1	**CONSUMER DEPOSITS**	Notified Maximum Demand multiplied by KVA tariff rate	
5	**CHARGES FOR SERVICES RENDERED**		
5.1	Call out during working hours	408.82	437.437
5.2	Call out after hours	587.21	628.315
5.3	Disconnect at request of consumer	401.02	429.089
5.4	Disconnect for improper use of service or illegal connection	730.54	781.678
5.5	Disconnect for nonpayment of account	598.61	640.515

ITEM NO.		2017/2018	2017/2018
19.6	Testing of meters:	**2017/2018**	**2017/2018**
	By Council	53.78	57.5449
	By independent party	Cost plus 20%	Cost plus 20%
19.7	Special reading of meter at customer's request	399.03	426.958
19.8	***Damage of meters and/ seals, or bypassing of prepayment meters***		
	Meters		
	Prepayment/ conventional – Domestic	2884.70	3086.62
	Commercial prepayment/ Conventional	4189.69	4482.97
19.9	Inspection/test of installation after failure of first inspection		
19.10	Damage to municipal electrical supply equipment and/cables	3930.44	4205.57
19.11	Hire Crane Truck 28T/M	1057.99	1132.05
19.12	Medium Crane Truck 5T/M	522.10	558.65
19.13	Earth leakage test	1082.12	1157.87
19.14	HV fault location	1400.89	1498.95
19.15	LV fault location	1345.75	1439.96
19.16	Oil filtering	921.86	986.392
19.17	Oil test	921.86	986.392
			0
19.18	Sales		0
	Meters		0
	CATEGORY		0
	Conventional - Single Phase	1054.37	1128.18
	Conventional - Three Phase	6251.78	6689.4
	Prepaid - Single Phase	1054.37	1128.18
	Prepaid -Three Phase	2837.55	3036.17
	Terminal Block	379.50	406.06
	Terminal Cover	379.50	406.06
	Keypad	379.50	406.06

ANNEXURE C REFUSE REMOVAL AND SOLID WASTE RELATED CHARGES

ESTIMATES OF INCOME – TARIFFS AS FROM 01 JULY 2018			
		2017/2018	2018/2019
3.0	**SOLID WASTE : Proposed increment 6.4%**		
	Refuse Removal : Full Level of Service		
	Annual Charges		
3.1.1	Domestic (2 bags or bins once per week)	2354.14	2518.93
3.1.2	Commercial/Industrial/Institutional (2 bins or bags once per week)	4735.17	5066.63
3.1.3	Per additional bag or bin	2354.14	2518.93
3.1.4	Per additional service removal per week	4735.17	5066.63
3.1.5	240 L Bin rental per annum		
	Emptying charge of 240L bin per annum		
4.2	Refuse Removal : Full Level of Service		
	Monthly Charges	198.60	212.50
4.2.1	Domestic (2 bags or bins once per week)	4.89	5.23
4.2.2	Commercial/Industrial/Institutional (2 bins or bags once per week)	198.60	212.50
4.2.3	Per additional bag or bin	399.41	427.37
4.2.4	Per additional service removal per week		
4.2.5	240L Bin rental per month	13.66	14.62
4.2.6	240L Bin Clearance / per bin	28.46	30.45
4.2.7	Emptying charge of 240L bin : Household per month	113.60	121.55
4.3	Refuse Removal : Basic Level of Service		
	Annual Charges		
4.3.1	Domestic	1345.22	1439.38
4.3.2	Business/Industry	3147.81	3368.15
4.3.3	Government Institutions	3147.81	3368.15
4.3.4	Coffee Bay & Hole-in-the-Wall		
4.4	**Refuse Removal : Basic Level of Service**		
	Monthly Charges		
4.4.1	Domestic	113.60	121.55
4.4.2	Business/Industry	265.01	283.57
4.4.3	Government Institutions	265.01	283.57
4.5	**Sales**		
4.5.1	240L Refuse bins (each)	660.32	706.54
4.5.2	Plastic Refuse Bags (per pack)		
4.6	**Skips**		
4.6.1	Rental per skip per month	887.71	949.85
4.6.2	Rental per skip per year	10529.55	11266.61

4.6.3	Charge per clearance of skip	624.80	668.53
4.7	**Excess Refuse**		
4.7.1	Garden Refuse (per 2.5lt load)	374.34	400.55
4.7.2	Removal of scrap vehicles (per vehicle load)	524.14	560.83
4.7.3	Hire of skip container per day : Garden Refuse / Excess	284.57	304.48
4.8	**Penalty for Illegal Dumping : Proposed increment at 7%**		
4.8.1	Garden and/ or domestic refuse	414.77	443.80
4.9	**Trolley Bins**		
4.9.1	Rental (per bin per month)	414.77	443.80
4.9.2	Charge per clearance	414.77	443.80
4.1	**Disposal Charges to Mthatha & Mqanduli Landfill Site: Weigh Bridge**		
4.10.1	Domestic & Trade Waste per tonne	56.92	60.91
4.10.2	Rubble or concrete per tonne	28.46	30.45
4.10.3	Material suitable to be used for cover	free	
4.11	**Disposal Charges to Mthatha & Mqanduli Site: Not Weighed**		
4.11.1	Small vehicle up to 1 tonne load capacity	51.23	54.82
4.11.2	3 - 4 tonne vehicle	204.93	219.27
4.11.3	5 - 8 tonne vehicle	284.62	304.54
4.12	**Garden Waste**		
4.12.1	Clean Greens per tonne	22.77	24.36
4.12.2	Any other green material including tree trunks per tonne	37.57	40.20
4.13	**Permits**		
4.13.1	Domestic Solid Waste Handling Permit per vehicle per annum	569.24	609.09

ANNEXURE D. LIBRARY TARIFFS

ESTIMATES OF LIBRARY TARIFFS AS FROM 01 JULY 2018					
			2017/2018		2017/2018
13	**TELEFAX**		17	per page or part thereof (excluding	17.56
	Sending			coverage page) with minimum	
				of	
			48	per message	17.56
	Receiving		22	per A4 page or part thereof within a	17.56
			0	minimum of	
			0	R38.00 per message	
	Note: The fee shall, if sending be paid before any message is transmitted and, if receiving, before any message is handed over to the addressee		0		
14	**LIBRARY**		0		
	Deposit		93		17.56
	Hire of Hall		0		
	Library hours: per hour		37		17.56
	After hours: per hour		70		17.56
	Weekdays and saturdays per hour		148		17.56
	Sunday and Public Holidays per hour		206		17.56
	Per page - A4		3		17.56
	Subscription Fees		0		17.56
	Adults for two (02) books renewable after 2 years		75		17.56
	Juniors for two (02) books renewable after 2 years		36		17.56
	Country members for four (04) booksrenewable after 2 years		199		17.56
	Holiday members for two (02) books for 14 days		95		17.56
	Photocopying		0		17.56
	Black & White		1		17.56

ESTIMATES OF LIBRARY TARIFFS					
	Colour		0		17.56
	Internet	R10.00 for 30 minutes	17	for 30 minutes	17.56
		R2.00 per page	3	per page	17.56
16	**LEASES**		0		
	Registration		228		
17	**SUPPLYING INFORMATION**		0		
	Search for an account not in a service register		32		
	Search for account in a service register		19		
	Supply details of any deed		32		
	Supply of any certificate of valuation or of outstanding charges against property		32		
	Any search for information per hour or part thereof		198		

ANNEXURE E PARKS AND RECREATION

ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS			
	AS FROM 01 JULY 2018		
		2017/2018	**2017/2018**
5.0	**PARKS AND RECREATION Proposed increment at 6%**		
5.1	**Recreation Grounds**		
5.1.1	**Deposits**		
5.1.1	*2010 Wcup Stadium - With Gate Collection*	6,667.641	7067.70
5.1.2	*Rotary With Gate Collection*	1,619.731	1716.91
5.1.2	*Rotary Without Gate Collection*	1,350.879	1431.93
5.1.2.1	**Rental (per day)**	0.000	0.00
5.1.2.2	Premier Division	8,394.902	8898.60
5.1.2.3	Hire per day (1st Division/Festival	5,965.333	6323.25
5.1.2.4	(2nd Division)	5,021.582	5322.88
5.1.2.5	(3rd Division)	3,160.435	3350.06
	Vodacom	675.439	715.97
	Castle	576.124	610.69
	Mqanduli Stadium	576.123	610.69
5.2	Without gate collection - deposit/ hire	1,350.879	1431.93
5.2.1	**Cemeteries : Proposed increment at 6%**	0.000	0.00
5.2.1.1	**Graves**	0.000	0.00
5.2.1.2	Per Adult burial (Umtata)	1,079.798	1144.59
5.2.1.3	Per Child burial (Umtata)	593.900	629.53
5.2.2	Per Adult or Child (Mqanduli -site only)	53.995	57.23
	Sale of Caskets (each)	1,582.420	1677.36
		0.000	0.00
		0.000	0.00
5.3		0.000	0.00
5.3.1	**Swimming Pools**	0.000	0.00
5.3.1.1	**Sutherland Street**	0.000	0.00
5.3.1.2	Adults per seession	21.938	23.25
5.3.1.3	Children per session	10.091	10.70
	Group session (outside pool hours-per hour)	0.000	0.00
		0.000	0.00
5.3.2		0.000	0.00
5.3.2.1	**Ngangelizwe**	0.000	0.00
5.3.2.2	Adults (per session)	10.658	11.30
	Children (per session)	5.930	6.29

ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS			
5.4		0.000	0.00
5.4.1	**Horticulture (Hire of Plants)**	0.000	0.00
5.4.2	10-20 plants	298.490	316.40
5.4.3	21-30 plants	324.819	344.31
5.4.4	31-40 plants	351.161	372.23
5.4.5	41-50 plants	420.515	445.75
	51-75 plants	474.726	503.21
	Charge per clearance	409.359	433.92
15	**COMMONAGE**	0.000	0.00
	Grazing fees: per beast per month	2.586	2.74
	Lantyi	20.688	21.93
	Wood sales: head load	0.771	0.82
	Wood sale: Van load	38.790	41.12
	Wood sale: sledge	25.860	27.41
	Tractor or Truck load	64.651	68.53
	Wood sales: Whole tree	162.194	171.93
	Poles/ ipali	17.694	18.76
	One bundle- Grass	5.671	6.01
	Sabunga: Truck load	85.067	90.17
	Pound fees: Mqanduli	0.000	0.00
	Goat and sheep each	11.342	12.02
	Livestock each	22.684	24.05

ANNEXURE F TRAFFIC AND PUBLIC SAFETY TARIFFS

PUBLIC SAFETY ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS

		2016/2017	2017/2018	2018/2019
8.0	**ROADS AND WORKS**			
8.1	**Vehicle Crossing (Kerb & Channel only)**			
8.1.1	Standard dish type per square meter	3132.50	3332.98	3532.96
8.1.2	Bridge Crossing	3025.97	3219.63	3412.81
8.1.3	Bollards	329.21	350.28	371.30
8.2	**Premix Pavement Construction**	0	0.00	0.00
8.2.1	Premix Pavement Construction (25mm thick)	331.51	352.73	373.89
8.2.2	Re-instatement of trenches	9767.03	10392.12	11015.65
8.2.3	Sale of Premix	10258.41	10914.95	11569.85
8.2.4	Sale of Sabunga	47.43	50.47	53.50
8.3	**Cartage Charges (construction)**	0	0.00	0.00
8.3.1	Removal of Builder's Rubble/Spoil	0	0.00	0.00
	(per 5m load or part thereof)	1629.02	1733.27	1837.27
9	**CIVIL PROTECTION**	0	0.00	0.00
9.1	**PERMIT FOR FLAMMABLE SUBSTANCE**	0	0.00	0.00
	Category: A - Up to 2275/25	293.94	312.76	331.52
	" B - 2276 - 4500	352.42	374.98	397.48
	26 kg - 45 kg	0	0.00	0.00
		0	0.00	0.00
	" C - 4510-22500	587.62	625.23	662.74
	46 kg - 225 kg	0.00	0.00	0.00
	" D - Over 22500	881.27	937.67	993.93
9.2	**INSPECTION FEES**	0.00	0.00	0.00
	Flammable Substances	293.94	312.76	331.52
	L.P.G	352.42	374.98	397.48
	Re-Inspection	352.42	374.98	397.48
	Maximum (4 Insp.per year	2938.39	3126.45	3314.03
9.3	**FIRE BRIGADE CHARGES**	0.00	0.00	0.00
	Turning Charges (per call)	0.00	0.00	0.00
	Within Municipal Area	881.31	937.71	993.98

PUBLIC SAFETY ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS					
	Outside Municipal Area	2939.39		3127.51	3315.17
	Subsidiary Vehicle	589.94		627.70	665.36
	Special Duty	1474.86		1569.25	1663.40
		0.00		0.00	0.00
	b) **Fire fighting vehicles**	0.00		0.00	0.00
	Motor pump : major	2351.52		2502.02	2652.14
	Motor Pump: medium	2056.57		2188.19	2319.49
	Motor Pump :small	1763.65		1876.52	1989.11
	Portable Pump	2351.52		2502.02	2652.14
	Turntable ladder	2351.52		2502.02	2652.14
	Snorkel	880.81		937.19	993.42
	Rescue Vehicle	880.81		937.19	993.42
	Emergency Vehicle	880.81		937.19	993.42
	c) **Occupance or properties charges per hour**	0		0.00	0.00
	Low risk incidents	146.43		155.80	165.14
	Medium risk incidents	294.68		313.54	332.35
	High risk incidents	442.02		470.31	498.53
	Residential -dwellings	1646.50		1751.87	1856.99
	Flats	1646.50		1751.87	1856.99
	Hotels	2746.02		2921.76	3097.07
	Boarding houses	1646.50		1751.87	1856.99
	Shacks	823.25		875.94	928.49
	Institutional Hospitals	2197.18		2337.80	2478.07
	Nursing homes	2197.18		2337.80	2478.07
	Public assembly-churches	2197.18		2337.80	2478.07
	Halls	1646.50		1751.87	1856.99
	Cinemas	2197.18		2337.80	2478.07
	Theatres	2197.18		2337.80	2478.07
	Night clubs	2197.18		2337.80	2478.07
	High risk building	4392.51		4673.64	4954.05
	Malls	4392.51		4673.64	4954.05
	Stadium	4392.51		4673.64	4954.05
	Fun Fairs	4392.51		4673.64	4954.05
	Schools	2197.18		2337.80	2478.07
	University	4392.51		4673.64	4954.05
	Tax Ranks	4392.51		4673.64	4954.05
	Basement Parking	4037.02		4295.39	4553.11
	Commercial Restaurants	2197.18		2337.80	2478.07
	Cafes	2197.18		2337.80	2478.07

PUBLIC SAFETY ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS					
	Offices	1646.50		1751.87	1856.99
	Shops	1646.50		1751.87	1856.99
	Department Stores	1646.50		1751.87	1856.99
	Garages	4392.51		4673.64	4954.05
	Workshops	2197.18		2337.80	2478.07
	Outside storage	4392.51		4673.64	4954.05
	Industry Furniture	2197.18		2337.80	2478.07
	Industry-Plastic Rubber	4392.51		4673.64	4954.05
	-Textile	2197.18		2337.80	2478.07
	-Printing	2197.18		2337.80	2478.07
	-Milling	2197.18		2337.80	2478.07
	-Petroleum	4392.51		4673.64	4954.05
	-Food and Drinks	1646.50		1751.87	1856.99
	-Paper and Packaging	1646.50		1751.87	1856.99
	-Chemicals	4392.51		4673.64	4954.05
	-Alcaline metals	4392.51		4673.64	4954.05
	-Metals	1646.50		1751.87	1856.99
	-Electronics	1646.50		1751.87	1856.99
	-LP Gas	2197.18		2337.80	2478.07
				0.00	0.00
				0.00	0.00
	Transport - Cars	1646.50		1751.87	1856.99
	- Motorcycles	1646.50		1751.87	1856.99
	Heavy goods	0		0.00	0.00
	- Vehicles	4392.51		4673.64	4954.05
	- Hazmat vehicles	4392.51		4673.64	4954.05
	Explosive Carrying	0		0.00	0.00
	Vehicles	4392.51		4673.64	4954.05
	Buses	4392.51		4673.64	4954.05
	Ships	1646.50		1751.87	1856.99
	Trains	2197.18		2337.80	2478.07
	Aircraft: small	4392.51		4673.64	4954.05
	Aircraft: medium	1646.50		1751.87	1856.99
	Military Aircraft	4392.51		4673.64	4954.05
	Other-Rubbish	2197.18		2337.80	2478.07

PUBLIC SAFETY ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS				
	Grass & Bush	1646.50	1751.87	1856.99
	Plantations	823.25	875.94	928.49
	Crops	2197.18	2337.80	2478.07
	Rescues-vehicle extrication	823.25	875.94	928.49
	Water rescues	1646.50	1751.87	1856.99
	Lift rescues	2197.18	2337.80	2478.07
	Manhole rescues	3289.33	3499.84	3709.83
	Trapped rescues	136.28	145.00	153.70
	Fire extinguisher	274.42	291.98	309.50
	Fire hoses	329.67	350.77	371.82
	First aid for sport & recreation	329.67	350.77	371.82
	Breathing apparatus	329.67	350.77	371.82
	Refilling of pools (per water cost)	329.67	350.77	371.82
	Deep Lifting	329.67	350.77	371.82
	Flushing of stormpipes	329.67	350.77	371.82
	Spoil of oil removes (plus type of vehicle)	329.67	350.77	371.82
	Foam concentrate (plus water cost)	165.75	176.36	186.94
	d) **Charge per km**	0.00	0.00	0.00
	TYPE	0.00	0.00	0.00
	Motor Pump Large	62.44	66.44	70.42
	Motor Pump medium	49.91	53.10	56.29
	Motor Pump small	44.30	47.13	49.96
	Sub Vehicle	37.38	39.77	42.16
			0.00	0.00
			0.00	0.00
			0.00	0.00
	e) **Standby Charges**		0.00	0.00
	TYPE		0.00	0.00
	Motor Pump	136.10	144.81	153.50
	Sub-Vehicle	53.41	56.83	60.24
	Other	136.10	144.81	153.50
	f) **Training fee per person**	0.00	0.00	0.00
	Basic fire fighting course	274.42	291.98	309.50

	Intermediate fire fighting course	324.15		344.89	365.59
	Advanced fire fighting course	412.55		438.95	465.29
	Basic Vehicle rescue course	412.55		438.95	465.29
	Fire marshal course	412.55		438.95	465.29
	Advanced fire safety course	412.55		438.95	465.29
	g) Stationery supply at Fire Department	0.00		0.00	0.00
	Pens	8.75		9.31	9.87
	Pencils	4.42		4.70	4.98
	Rubbers	6.18		6.58	6.97
	Tippex	12.53		13.33	14.13
	Rulers	6.26		6.66	7.06
	Clipboards	1.84		1.96	2.08
	Photostats per sheet	2.68		2.85	3.02
	Flimsies	268.16		285.32	302.44
	Video Film copies	112.35		119.54	126.71
	Old Exams questions and answers	37.38		39.77	42.16
	(per copy older than one year)			0.00	0.00
	a) State patients			0.00	0.00
	b) Municipal workers	264.56		281.50	298.39
	c) Natural disaster causalities			0.00	0.00
	d) Disabled patients			0.00	0.00
	e) Patients with an income of the following amount per month			0.00	0.00
				0.00	0.00
	R 100- R 300 p.m	151.02		160.69	170.33
	R 301- R 600pm	165.75		176.36	186.94
	R 601- R900 p.m	180.49		192.04	203.56
	R901-R1200 p.m	200.58		213.41	226.22
	R1201-R1500p.m	221.00		235.15	249.26
	R1501-R1800 p.m	243.11		258.67	274.19
	R1801-R2100 p.m	265.21		282.19	299.12

PUBLIC SAFETY ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS					
	R2111-R2400 p.m	62.62		66.63	70.62
	R2401-R2700 p.m	320.47		340.98	361.43
	R2701-R3000 p.m	349.93		372.33	394.67
	R3001-R3300 p.m	386.77		411.52	436.21
	R3301-R3600 p.m	423.60		450.71	477.75
	R3601-and up	548.83		583.96	619.00
f)	Accounts outside area:Amount in 9,4 plus R5,00 per km				
9.4	**CITY POLICE**			0.00	0.00
9.4.1	Tow-away fees			0.00	0.00
	Use or contractor			0.00	0.00
				0.00	0.00
9.4.2	LMV			0.00	0.00
	Without dolly wheels	800.61		851.85	902.96
	With dolly wheels	491.27		522.71	554.07
				0.00	0.00
9.4.3	HMV	1295.29		1378.19	1460.89
	Low Bed	1295.29		1378.19	1460.89
				0.00	0.00
9.4.4	Impounded Vehicles			0.00	0.00
	Storage fees per day or Part thereof	93.56		99.55	105.52
				0.00	0.00
9.4.5	Damage to speed trap cable	2136.41		2273.14	2409.53
				0.00	0.00
9.4.6	Office accident report forms			0.00	0.00
	Search fees on any query or Part thereof	208.43		221.77	235.08
9.4.7	Natis search fees			0.00	0.00

ANNEXURE G BUSINESS LICENSE

BUSINESS – TARIFFS			
AS FROM 01 JULY 2018			
BUSINESS LICENSING TARIFFS		**2017/2018**	**2018/2019**
10.5.3	**MARKET TABLES**		
	1. Small Tables	37	39
	2. Medium Tables	48	51
	3. Big Tables	53	56
	4. Bigger Tables	59	62
10.5.4	**TOWN HALL STALLS**	0	0
	1. Small Stalls	37	39
	2. Medium Stalls	59	62
	3. Big Stalls	213	226
10.5.5	**P.P STALLS BELOW ECDC AT ELLIOT**	**2017/2018**	**2018/2019**
	1. Stalls	28	30
	1. Bona fide Farm stalls	31	32
	2. Fruit & Vegetables	8	8
	3. Clothes	14	14
	4. Fruit & Vegetables (BULK)	136	144
10.5.6	**BUSINESS FEES**	0	0
	1. Registration fee	106	113
	2. Licence fee	340	360

ANNEXURE H LOCAL ECONOMIC DEVELOPMENT TARRIF

LED - TARIFFS AS FROM 01 JULY 2018							
10.00	**HIRE OF CITY HALLS**	**2017/ 2018**			**2017/ 2018**		
		Norwood	Other	City	Norwood	Other	City
	Profess, concerts						
10.10	Magician shows & the like by visiting companies						
	7pm to midnight	751.28	804.10	1013.56	796.35	852.34	1074.38
	Amateur concerts, cabaret shows, Give-It-A-Show						
	Film show, etc.						
	7pm to midnight						
	Dances, Balls, Discos etc.						
	7pm to midnight	298.00	318.77	317.67	315.88	337.89	336.73
	Private receptions, meetings, weddings,						
	socials per hour to midnight	94.17	110.97	142.87	99.82	117.63	151.44
	Exhibitions, flower						
	Shows per show and the like						
	Weekdays 8am to 5pm	94.17	100.88	104.25	99.82	106.94	110.50
	Weedkays 5pm to 11pm and Saturdays	99.41	106.33	144.40	105.38	112.71	153.06
	Sunday and public holidays per hour	91.70	98.11	141.64	97.20	104.00	150.14
	Bazaar 5pm to 11pm	298.00	343.08	378.69	315.88	363.67	401.41
	Political meetings 5pm to midnight	354.08	378.69	604.80	375.32	401.41	641.09
	Religious service per hour to midnight	56.09	59.92	95.53	59.45	63.52	101.27
10.20	DEPOSIT	**2017/2018**					
		Norwood	**Other**	**City**			

LED - TARIFFS AS FROM 01 JULY 2018							
	Town Hall	0.00	2637.78	2796.05	0.00	2796.05	2963.81
	Civic Centre	0.00	1057.29	1120.73	0.00	1120.73	1187.97
10.30	**EXTRAS**						
	Use of kitchen cutlery and crockery per function	262.15	282.01	320.93	277.88	298.93	340.18
	Use of halls for rehearsals, preparations, decorations, etc.				0.00	0.00	0.00
	5pm to 11pm only weekdays	93.64	95.14	100.86	99.26	100.85	106.91
	Use of piano : per function Steinway piano(City Hall only)	0.00	0.00	220.46	0.00	0.00	233.69
	Broadway Piano	0.00	0.00	101.91	0.00	0.00	108.02
10.40	**OVERTIME**	0.00	0.00	0.00	0.00	0.00	0.00
	Weekday & Saturdays	131.96	141.42	149.91	139.88	149.91	158.91
	Sundays & Public holidays	183.52	196.38	208.17	194.53	208.17	220.66
	Public address system :per function	0.00	0.00	0.00	0.00	0.00	0.00
	(City Hall)	0.00	0.00	0.00	0.00	0.00	0.00
	Auction Sale	1721.29	0.00	2375.91	1824.56	0.00	2518.47
	Deposit	0.00	1340.36	0.00	0.00	1420.78	0.00
	For any period up to 24 hours per chair	0.00	0.00	0.00	0.00	0.00	0.00
	Chairs: per chair	0.00	7.23	0.00	0.00	7.66	0.00
	Tables: per table	0.00	24.83	0.00	0.00	26.32	0.00
		OTHER HALLS					
	Rotary Hall	297.43			315.27		
	Banqueting	427.75			453.41		
	Mqanduli Hall	280.59			297.43		
	Multi purpose Centre – Mqanduli	280.59			297.43		
	Multi purpose Centre - Ikwezi	280.59			297.43		

ANNEXURE I HUMAN SETTLEMENTS

TARIFFS FOR HUMAN SETTLEMENTS DIRECTORATE : 2018/2019

ITEM	SERVICE	2017/2018 TOTAL R/Cents	2018/2019 TOTAL R/Cents
1	DEVELOPMENT PLANNING		
1.1	**Application for consent**		
1.1.1	Application fee (excluding advertising)	R 2,443.92	R 2,590.55
1.2	**Application for Rezoning** (excluding advertising)		
1.2.1	Erven 0- 2500m²	R 2,604.69	R 2,760.97
1.2.2	Erven 2501 -5 000m²	R 4,882.52	R 5,175.47
1.2.3	Erven 5 001 -10 000m²	R 8,083.41	R 8,568.42
1.2.4	Erven 1ha - 5ha m²	R 12,746.51	R 13,511.30
1.2.5	Erven over 5ha m²	R 15,932.66	R 16,888.62
		R 0.00	R 0.00
1.3	**Application for departure**	R 0.00	R 0.00
1.3.1	Erven smaller than 500 m²	R 785.26	R 832.38
1.3.2	Erven 500 -750 m²	R 517.83	R 548.90
1.3.3.	Erven larger than 750m²	R 1,038.85	R 1,101.18
		R 0.00	R 0.00
1.4	**Subdivision -application fees**	R 0.00	R 0.00
1.4.1	Basic fee	R 1,779.23	R 1,885.98
1.4.2	Charge per subdivision	R 162.30	R 172.04
1.4.3	(Remainder considered as a subdivision)	R 0.00	R 0.00
		R 0.00	R 0.00
1.5	**Aplication for demolition permit**	R 176.21	R 186.78
		R 0.00	R 0.00
1.6	**Zoning Certificate**	R 74.00	R 78.44
		R 0.00	R 0.00
1.7	**Spatial Development Framework Documents- CD**	R 0.00	R 0.00
1.7.1	Town Planning Scheme- Document	R 954.30	R 1,011.56
1.7.2	Town Planning Scheme- CD	R 190.60	R 202.04